

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

CHAPTER 285

HOUSE BILL 2209

AN ACT

MAKING APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE, FOR STATE INSTITUTIONS AND FOR PUBLIC SCHOOLS; PROVIDING FOR CERTAIN REPORTING REQUIREMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Subject to applicable laws, the sums or sources of revenue set forth in this act are appropriated for the fiscal years indicated and only from the funding sources listed for the purposes and objects specified and the performance measures are indicated as legislative intent. If monies from funding sources in this act are made unavailable, no other funding source shall be used.

Sec. 2. DEPARTMENT OF ADMINISTRATION

	<u>2008-09</u>
<u>State general fund</u>	
FTE positions	301.3
Operating lump sum appropriation	\$ 19,181,100
ENSCO	2,867,300
Arizona financial information system	1,115,200
Statewide telecommunications management contract lease payment	851,800
Utilities	625,700
County attorney immigration enforcement	<u>2,430,000</u>
Total - general fund	\$ 27,071,100
Performance measures:	
Per cent of ADOA services receiving a good (6) or better rating from customers, based on annual survey (Scale 1-8)	85
Per cent of procurement plan award dates met for the RFP process	77
Customer satisfaction with establishing contracts (Scale 1-8)	6.9
Customer satisfaction with administering contracts (Scale 1-8)	6.7
Customer satisfaction rating for the operation of AFIS (Scale 1-8)	7.5
Average capitol police response time to emergency calls (in minutes and seconds)	1:40
The department may collect an amount of not to exceed \$1,762,600 from other funding sources, excluding federal funds, to recover pro rata costs of operating AFIS II. Any amounts left unspent from the Arizona financial information system line item shall revert to the state general fund.	
The \$2,430,000 appropriated to the county attorney immigration enforcement line item shall be distributed as follows: \$1,430,000 to each county attorney of a county in this state having a population of 1,500,000 or more persons and \$500,000 to each county attorney of a county in this state having a population of 800,000 or more persons but less than 1,500,000	

persons. The remainder of the monies are to be distributed as equally as possible to each county attorney of counties in this state having a population of less than 500,000 persons. County attorneys may enter into agreements with county sheriffs or other law enforcement agencies or jurisdictions for the purposes of implementing section 23-212, Arizona Revised Statutes. These appropriations are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

Air quality fund

Lump sum appropriation \$ 850,100

Performance measures:

Customer satisfaction with all travel reduction services (Scale 1-8)

6.7

The amounts appropriated for the state employee transportation service subsidy shall be used for up to a one hundred per cent subsidy of charges payable for transportation service expenses as provided in section 41-786, Arizona Revised Statutes, of nonuniversity state employees in a vehicle emissions control area as defined in section 49-541, Arizona Revised Statutes, of a county with a population of more than four hundred thousand persons.

Capital outlay stabilization fund

FTE positions 56.7

Operating lump sum appropriation \$ 5,650,100

Utilities 7,349,900

Relocation 60,000

Total - capital outlay stabilization fund

\$ 13,060,000

Performance measures:

Customer satisfaction rating for building maintenance (Scale 1-8)

6.5

Monies in the relocation line item are exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until December 31, 2009.

Corrections fund

FTE positions 9.3

Lump sum appropriation \$ 741,700

The intent of the legislature is for the amount appropriated from the corrections fund to be expended solely for the oversight of construction projects benefiting the state department of corrections or the department of juvenile corrections.

Motor vehicle pool revolving fund

FTE positions 19.0

Lump sum appropriation \$ 12,737,800

1 Performance measures:

2 Customer satisfaction with short-term (day use)

3 vehicle rental (Scale 1-8) 7.7

4 It is the intent of the legislature that the department not replace
5 vehicles until an average of 120,000 miles, or more.

6 Telecommunications fund

7 FTE positions 22.0

8 Lump sum appropriation \$ 3,181,700

9 Telecommunications fund -

10 infrastructure improvements

11 account

12 Lump sum appropriation \$ 4,713,700

13 Performance measures:

14 Customer satisfaction rating for the wide area

15 network (MAGNET) (Scale 1-8) 6.4

16 Customer satisfaction rating for statewide

17 telecommunications management contract

18 services (Scale 1-8) 6.0

19 All telecommunications fund infrastructure improvements account monies
20 received by the department of administration in excess of \$4,713,700 in
21 fiscal year 2008-2009 are appropriated to the department of administration.
22 Before expenditure of any telecommunications fund infrastructure improvements
23 account monies in excess of \$4,713,700 in fiscal year 2008-2009, the
24 department of administration shall report the intended use of the monies to
25 the joint legislative budget committee. The appropriation from the
26 telecommunications fund infrastructure improvements account is an estimate
27 representing all monies, including balance forward, revenue and transfers,
28 and is exempt from the provisions of section 35-190, Arizona Revised
29 Statutes, relating to lapsing of appropriations through June 30, 2010.

30 Automation operations fund

31 FTE positions 158.4

32 Lump sum appropriation \$ 24,230,600

33 Performance measures:

34 Customer satisfaction rating for mainframe

35 services based on annual survey (Scale 1-8) 7.0

36 The appropriation for the automation operations fund is an estimate
37 representing all monies, including balance forward, revenue and transfers
38 during fiscal year 2008-2009. These monies are appropriated to the
39 department of administration for the purposes established in section 41-711,
40 Arizona Revised Statutes. The appropriation shall be adjusted as necessary
41 to reflect receipts credited to the automation operations fund for automation
42 operation center projects. Expenditures for all additional automation
43 operation center projects above the \$24,230,600 appropriation shall be
44 subject to review by the joint legislative budget committee, following
45 approval of the government information technology agency. Expenditures for

each additional project shall not exceed the specific revenues of that project.

The department of administration and the government information technology agency shall explore the feasibility of acquiring business intelligence software for utilization throughout state government. The business intelligence software shall have at least the following capabilities: 1) performance management through budgeting, planning, reporting and analysis; 2) the generation and use of dashboards; 3) ability to interact with metrics and key performance indicator; 4) effective utilization and implementation in every state agency and 5) realization of end-user ease of use of administration. The department of administration and the government information technology agency shall undertake a comprehensive research effort leading to the identification of best practices and standards for implementation utilized in other public and private sector entities. The government information technology agency and the department of administration shall issue a report by December 15, 2008 to the joint legislative budget committee. Pursuant to the report, the department of administration may enter into a contract with a vendor for the purchase of software that is capable of being implemented in every state agency. The criteria for selection of the contract shall consider end-user ease of use and ease of administration and shall meet any related standards of the government information technology agency.

Risk management fund

FTE positions	96.0
Operating lump sum appropriation	\$ 8,841,200
Burke settlement	532,000
Risk management losses and premiums	45,371,300
Workers' compensation losses and premiums	30,112,300
External legal services	5,592,200
Nonlegal related expenditures	<u>3,153,900</u>
Total - risk management fund	\$ 93,602,900

Performance measures:

Workers' compensation incidence rates/100	
FTE positions	4.1
Customer satisfaction with self-insurance	
(Scale 1-8)	7.5

Personnel division fund

FTE positions	139.0
Operating lump sum appropriation	\$ 14,198,400
Human resources information solution	
certificate of participation	<u>4,354,000</u>
Total - personnel division fund	\$ 18,552,400

Performance measures:

Customer satisfaction with employee training	
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1 (Scale 1-8) 6.1

2 Special employee health insurance

3 trust fund

4 FTE positions 39.0

5 Operating lump sum appropriation \$ 5,230,700

6 Employee wellness program 300,000

7 Total - special employee health

8 insurance trust fund \$ 5,530,700

9 Performance measures:

10 Customer satisfaction with benefit plans

11 (Scale 1-8) 6.2

12 State surplus materials revolving

13 fund

14 FTE positions 16.0

15 Operating lump sum appropriation \$ 1,272,300

16 State surplus property sales

17 proceeds 3,000,000

18 Total - state surplus materials

19 revolving fund \$ 4,272,300

20 All state surplus property sales proceeds received by the department in
21 excess of \$3,000,000 are appropriated. Before the expenditure of any state
22 surplus property sales proceeds in excess of \$3,000,000, the department shall
23 report the intended use of the monies to the joint legislative budget
24 committee.

25 Federal surplus materials revolving

26 fund

27 FTE positions 7.0

28 Lump sum appropriation \$ 444,300

29 Total appropriation - department of

30 administration \$208,989,300

31 Fund sources:

32 State general fund \$ 27,071,100

33 Other appropriated funds 181,918,200

34 Sec. 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

35 2008-09

36 Administration

37 FTE positions 3,201.4

38 Operating lump sum appropriation \$ 70,107,600

39 DOA data center charges 5,717,500

40 DES eligibility 55,687,400

41 DES title XIX pass-through 357,800

42 Healthcare group administration

43 and reinsurance 11,521,000

44 Office of administrative hearings 271,300

45 Indian advisory council 232,900

1	KidsCare - administration	9,354,000
2	Proposition 204 - AHCCCS	
3	administration	11,401,700
4	Proposition 204 - DES	
5	eligibility	43,629,100
6	DES eligibility system upgrade	<u>2,600,000</u>
7	Total appropriation and expenditure	
8	authority - administration	\$210,880,300
9	Fund sources:	
10	State general fund	\$ 93,348,400
11	Budget neutrality compliance	
12	fund	2,841,000
13	Children's health insurance	
14	program fund	7,127,800
15	Healthcare group fund	6,521,000
16	Expenditure authority	101,042,100
17	Performance measures:	
18	Per cent of applications processed on time	95
19	Customer satisfaction rating for eligibility	
20	determination clients (Scale 1-8)	6.0
21	The amounts appropriated for the department of economic security	
22	eligibility line item shall be used for intergovernmental agreements with the	
23	department of economic security for the purpose of eligibility determination	
24	and other functions. The general fund share may be used for eligibility	
25	determination for other programs administered by the division of benefits and	
26	medical eligibility based on the results of the Arizona random moment	
27	sampling survey.	
28	<u>Acute care</u>	
29	Capitation	\$2,110,483,500
30	Reinsurance	134,202,200
31	Fee-for-service	573,395,700
32	Medicare premiums	96,275,300
33	Graduate medical education	44,906,200
34	Prior year temporary medical	
35	coverage reconciliation payments	3,247,200
36	Disproportionate share payments	30,350,000
37	Critical access hospitals	1,700,000
38	Breast and cervical cancer	1,530,000
39	Ticket to work	8,913,400
40	Dual eligible part D copay subsidy	1,029,700
41	Proposition 204 - capitation	1,205,445,600
42	Proposition 204 - reinsurance	129,920,200
43	Proposition 204 - fee-for-service	243,375,100
44	Proposition 204 - medicare	
45	premiums	31,316,900

1	Proposition 204 - county hold	
2	harmless	4,825,600
3	KidsCare - children	145,267,700
4	KidsCare - parents	34,900,700
5	Rural hospital reimbursement	12,158,100
6	Medicare clawback payments	<u>28,844,600</u>
7	Total appropriation and expenditure	
8	authority - acute care	\$4,842,087,700
9	Fund sources:	
10	State general fund	\$1,216,752,400
11	Children's health insurance	
12	program fund	138,835,300
13	Tobacco tax and health care	
14	fund - medically needy	
15	account	62,886,200
16	Tobacco products tax fund -	
17	emergency health services	
18	account	25,716,500
19	Temporary medical coverage fund	3,247,200
20	Expenditure authority	3,394,650,100
21	Performance measures:	
22	Per cent of AHCCCS children receiving well	
23	child visits in the first 15 months of	
24	life (EPSDT)	60
25	Per cent of AHCCCS children's access to	
26	primary care provider	85
27	Per cent of AHCCCS women receiving annual	
28	cervical screening	60
29	Member satisfaction as measured by	
30	percentage of enrollees that choose	
31	to change health plans	2.0

32 The \$30,350,000 appropriation for disproportionate share payments for
 33 fiscal year 2008-2009 made pursuant to section 36-2903.01, subsection P,
 34 Arizona Revised Statutes, includes \$4,202,300 for the Maricopa county
 35 healthcare district and \$26,147,700 for private qualifying disproportionate
 36 share hospitals.

37 Of the \$4,825,600 appropriated for the proposition 204 county hold
 38 harmless line item, \$234,200 is allocated to Graham county, \$3,817,800 to
 39 Pima county, \$234,400 to Greenlee county, \$159,700 to La Paz county, \$214,800
 40 to Santa Cruz county and \$164,700 to Yavapai county to offset a net loss in
 41 revenue due to the implementation of proposition 204, and shall be used for
 42 indigent health care costs.

43 The prior year temporary medical coverage program reconciliation
 44 payments line item shall be used to pay reconciliation obligations incurred
 45 for claims with dates of service before July 1, 2008.

1	<u>Long-term care</u>	
2	Program lump sum appropriation	\$1,173,828,700
3	Medicare clawback payments	20,740,900
4	Dual eligible part D copay	
5	subsidy	470,300
6	Board of nursing	<u>209,700</u>
7	Total appropriation and expenditure	
8	authority - long-term care	\$1,195,249,600
9	Fund sources:	
10	State general fund	\$ 116,237,500
11	Budget neutrality compliance fund	\$ 45,793,300
12	Expenditure authority	1,033,218,800
13	Performance measures:	
14	Per cent of members utilizing home and	
15	community based services (HCBS)	67
16	Per cent of ALTCS eligibility as measured by	
17	quality control sample	99
18	Any federal funds that the Arizona health care cost containment system	
19	administration passes through to the department of economic security for use	
20	in long-term administration care for the developmentally disabled shall not	
21	count against the long-term care expenditure authority above.	
22	Pursuant to section 11-292, subsection B, Arizona Revised Statutes, the	
23	county portion of the fiscal year 2008-2009 nonfederal portion of the costs	
24	of providing long-term care system services is \$256,642,400. This amount is	
25	included in the expenditure authority fund source.	
26	Monies from the budget neutrality compliance fund may be used to	
27	support the Arizona long-term care system.	
28	Agencywide lump sum reduction	\$ (2,000,000)
29	Fund sources:	
30	State general fund	\$ (1,000,000)
31	Expenditure authority	\$ (1,000,000)
32	Total appropriation and expenditure	
33	authority - Arizona health	
34	care cost containment system	<u>\$6,246,217,600</u>
35	Appropriated fund sources:	
36	State general fund	\$1,425,338,300
37	Budget neutrality compliance fund	48,634,300
38	Children's health insurance	
39	program fund	145,963,100
40	Healthcare group fund	6,521,000
41	Tobacco products tax fund -	
42	emergency health services	
43	account	25,716,500
44	Tobacco tax and health care	
45	fund - medically needy account	62,886,200

1	Temporary medical coverage fund	3,247,200
2	Expenditure authority	\$4,527,911,000
3	Performance measures:	
4	Per cent of people under age 65 that	
5	are uninsured	15.5

6 Before making fee-for-service program or rate changes that pertain to
 7 hospital, nursing facility or home and community based services rates or for
 8 any of the other fee-for-service rate categories that have increases that, in
 9 the aggregate, are two per cent above and \$1,500,000 from the state general
 10 fund greater than budgeted medical inflation in fiscal year 2008-2009, the
 11 Arizona health care cost containment system administration shall report its
 12 expenditure plan for review by the joint legislative budget committee.

13 The Arizona health care cost containment system administration shall
 14 report to the joint legislative budget committee by March 1 of each year on
 15 the preliminary actuarial estimates of the capitation rate changes for the
 16 following fiscal year along with the reasons for the estimated changes. For
 17 any actuarial estimates that include a range, the total range from minimum to
 18 maximum shall be no more than two per cent. Before implementation of any
 19 changes in capitation rates, the Arizona health care cost containment system
 20 administration shall report its expenditure plan for review by the joint
 21 legislative budget committee. Before the administration implements any
 22 changes in policy affecting the amount, sufficiency, duration and scope of
 23 health care services and who may provide services, the administration shall
 24 prepare a fiscal impact analysis on the potential effects of this change on
 25 the following year's capitation rates. If the fiscal analysis demonstrates
 26 that these changes will result in additional state costs of \$500,000 or
 27 greater for a given fiscal year, the administration shall submit the policy
 28 changes for review by the joint legislative budget committee.

29 For the contract year beginning October 1, 2008, the administration may
 30 expend funds for federally-matched hospice services to non-ALTCS members.

31 Sec. 4. ARIZONA COMMUNITY COLLEGES

32		<u>2008-09</u>
33	<u>Equalization aid</u>	
34	Cochise	\$ 5,833,400
35	Graham	14,775,700
36	Navajo	5,386,500
37	Yuma/La Paz	<u>1,931,400</u>
38	Total - equalization aid	\$ 27,927,000
39	<u>Operating state aid</u>	
40	Cochise	\$ 8,303,100
41	Coconino	3,245,400
42	Gila	713,000
43	Graham	5,173,200
44	Maricopa	55,416,100
45	Mohave	4,063,300

1	Navajo	4,250,300
2	Pima	18,874,100
3	Pinal	5,854,300
4	Yavapai	4,903,400
5	Yuma/La Paz	<u>5,512,600</u>
6	Total - operating state aid	\$116,308,800
7	<u>Capital outlay state aid</u>	
8	Navajo	\$ 500,000
9	Total - capital outlay state aid	\$ 500,000
10	Rural county reimbursement subsidy	<u>\$ 1,000,000</u>
11	Total appropriation - Arizona community	
12	colleges	\$145,735,800
13	Fund sources:	
14	State general fund	\$145,735,800
15	Performance measures:	
16	Number of applied baccalaureate programs	
17	collaboratively developed with universities	34
18	Of the \$1,000,000 appropriated to the rural county reimbursement	
19	subsidy line item, Apache county will receive \$466,000, Greenlee county	
20	\$382,800, and Santa Cruz county \$151,200.	
21	The \$500,000 Navajo community college receives in capital outlay state	
22	aid shall be used to construct a public safety and emergency services	
23	training facility in Navajo county to be operated and controlled by the	
24	Northland Pioneer community college. The appropriation is exempt from the	
25	provisions of section 35-190, Arizona Revised Statutes, related to the	
26	lapsing of appropriations.	
27	Sec. 5. DEPARTMENT OF CORRECTIONS	
28		<u>2008-09</u>
29	FTE positions	9,932.5
30	Correctional officer personal services	\$289,976,900
31	Health care personal services	37,449,400
32	All other personal services	71,794,000
33	Employee-related expenditures	160,727,900
34	Personal services and employee-related	
35	expenditures for overtime/compensatory	
36	time	24,331,400
37	Health care all other operating	
38	expenditures	86,607,900
39	Non-health care all other operating	
40	expenditures	<u>122,671,300</u>
41	Total - operating budget	\$793,558,800
42	Fund sources:	
43	State general fund	\$778,680,000
44	State education fund for	
45	correctional education	429,900

1	Alcohol abuse treatment fund	599,300
2	Penitentiary land fund	198,700
3	State charitable, penal and	
4	reformatory institutions	
5	land fund	1,240,500
6	Corrections fund	380,400
7	Transition office fund	180,000
8	Transition program drug treatment	
9	fund	600,000
10	Prison construction and operations	
11	fund	11,250,000
12	Agencywide lump sum reduction	\$(1,000,000)
13	Fund sources:	
14	State general fund	\$(1,000,000)
15	County jail beds	\$ 866,200
16	Fund sources:	
17	State general fund	\$ 866,200
18	New state prison beds	\$ 2,822,000
19	Fund sources:	
20	State charitable, penal and	
21	reformatory land fund	\$ 2,822,000
22	Private prison per diem	\$ 82,952,600
23	Fund sources:	
24	State general fund	\$ 52,478,300
25	Corrections fund	28,674,300
26	Penitentiary land fund	1,000,000
27	Prison construction and	
28	operations fund	800,000
29	Provisional beds	\$117,235,900
30	Fund sources:	
31	State general fund	\$113,179,700
32	Prison construction and	
33	operations fund	3,000,000
34	Penitentiary land fund	1,056,200
35	Performance measures:	
36	Escapes from secure facilities	0
37	Number of inmates receiving the general	
38	equivalency diploma	2,500
39	Number of inmate random positive	
40	urinalysis results	1,400
41	The personal services and employee-related expenditures for	
42	overtime/compensatory time line item includes monies for personal services	
43	and employee related expenditure costs from overtime and compensatory time	
44	payouts accrued by department employees in fiscal year 2008-2009.	

1 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
2 any transfer to or from the amounts appropriated for county jail beds, new
3 state prison beds, personal services and employee-related expenditures for
4 overtime/compensatory time, private prison per diem or provisional beds line
5 items shall require review by the joint legislative budget committee.

6 Before altering its bed capacity by closing state-operated prison beds,
7 canceling or not renewing contracts for privately-operated prison beds, the
8 state department of corrections shall submit a bed plan detailing the
9 proposed bed closures for review by the joint legislative budget committee.

10 Before placing any additional inmates in out-of-state provisional beds,
11 the department shall place inmates in all available prison beds in facilities
12 that are located in Arizona and that house Arizona inmates, unless the
13 out-of-state provisional beds are of a comparable security level and price.

14 A monthly report comparing state department of corrections expenditures
15 for the month and year-to-date as compared to prior year expenditures shall
16 be forwarded to the president of the senate, the speaker of the house of
17 representatives, the chairpersons of the senate and house of representatives
18 appropriations committees and the director of the joint legislative budget
19 committee by the thirtieth of the following month. The report shall include
20 at least each line item of appropriation and the main components of all other
21 operating expenditures. The report shall include an estimate of potential
22 shortfalls, potential surpluses that may be available to offset these
23 shortfalls and a plan, if necessary, for eliminating any shortfall without a
24 supplemental appropriation.

25 State department of corrections personnel in the correctional officer
26 series who receive a geographic stipend shall not retain the geographic
27 stipend associated with that facility when transferring to other department
28 facilities.

29 One hundred per cent of land earnings and interest from the
30 penitentiary land fund shall be distributed to the state department of
31 corrections in compliance with the enabling act and the Constitution of
32 Arizona to be used for the support of state penal institutions.

33 Twenty-five per cent of land earnings and interest from the state
34 charitable, penal and reformatory institutions land fund shall be distributed
35 to the state department of corrections in compliance with the enabling act
36 and the Constitution of Arizona to be used for the support of state penal
37 institutions.

38 Before the expenditure of any state education fund for correctional
39 education receipts in excess of \$429,900, the state department of corrections
40 shall report the intended use of the monies to the director of the joint
41 legislative budget committee.

42 The state department of corrections shall work with the department of
43 public safety's gang and immigration intelligence team enforcement mission to
44 combat gang activity. The state department of corrections and the department

of public safety shall report jointly to the joint legislative budget committee by December 1, 2008 on their collaborative efforts and procedures.
 Sec. 6. DEPARTMENT OF ECONOMIC SECURITY

2008-09

Administration

FTE positions 302.5

Operating lump sum appropriation \$ 43,588,800

Fund sources:

State general fund \$ 34,119,400

Federal child care and development fund block grant 1,147,600

Federal temporary assistance for needy families block grant 6,565,500

Public assistance collections fund 408,100

Spinal and head injuries trust fund 89,000

Statewide cost allocation plan fund 1,000,000

Federal Reed act grant 259,200

Finger imaging \$ 738,900

Fund sources:

State general fund \$ 461,400

Federal temporary assistance for needy families block grant 277,500

Attorney general legal services \$ 1,049,800

Fund sources:

State general fund \$ 755,700

Federal child care and development fund block grant 17,300

Federal temporary assistance for needy families block grant 167,900

Public assistance collections fund 108,900

Triagency disaster recovery \$ 271,500

Fund sources:

Risk management fund \$ 271,500

Document management \$ 494,600

Fund sources:

State general fund \$ 494,600

In accordance with section 35-142.01, Arizona Revised Statutes, the department of economic security shall remit to the department of administration any monies received as reimbursement from the federal government or any other source for the operation of the department of

1 economic security west building and any other building lease-purchased by the
 2 state of Arizona in which the department of economic security occupies space.
 3 The department of administration shall deposit these monies in the state
 4 general fund.

5 In accordance with section 38-654, Arizona Revised Statutes, the
 6 department of economic security shall transfer to the department of
 7 administration for deposit in the special employee health insurance trust
 8 fund any unexpended state general fund monies at the end of each fiscal year
 9 appropriated for employer health insurance contributions.

10 Developmental disabilities

11 FTE positions 1,921.9

12 Operating lump sum appropriation \$ 40,744,800

13 Fund sources:

14 State general fund \$ 16,680,500

15 Expenditure authority 24,064,300

16 Case management - Title XIX \$ 42,630,900

17 Fund sources:

18 State general fund \$ 14,546,700

19 Expenditure authority 28,084,200

20 Home and community based

21 services - Title XIX \$608,905,600

22 Fund sources:

23 State general fund \$207,298,400

24 Expenditure authority 401,607,200

25 Institutional services - Title XIX \$ 15,164,800

26 Fund sources:

27 State general fund \$ 5,174,600

28 Expenditure authority 9,990,200

29 Medical services \$135,103,500

30 Fund sources:

31 State general fund \$ 46,100,700

32 Expenditure authority 89,002,800

33 Arizona training program at

34 Coolidge - Title XIX \$ 17,083,200

35 Fund sources:

36 State general fund \$ 5,829,200

37 Expenditure authority 11,254,000

38 Medicare clawback payments \$ 2,206,600

39 Fund sources:

40 State general fund \$ 2,206,600

41 Case management - State-only \$ 4,537,600

42 Fund sources:

43 State general fund \$ 4,537,600

44 Home and community based

45 services - State-only \$ 36,722,000

1	Fund sources:	
2	State general fund	\$ 35,873,900
3	Long-term care system fund	848,100
4	Institutional services - State-only	\$ 294,900
5	Fund sources:	
6	State general fund	\$ 294,900
7	Arizona training program at	
8	Coolidge - State-only	\$ 572,400
9	Fund sources:	
10	State general fund	\$ 572,400
11	State-funded long-term care	
12	services	\$ 26,383,200
13	Fund sources:	
14	State general fund	\$ 762,900
15	Long-term care system fund	25,620,300
16	Autism training and oversight	\$ 200,000
17	Fund sources:	
18	Tobacco tax and healthcare -	
19	health research account	\$ 200,000
20	Children's autism intensive	
21	behavioral treatment services	\$ 1,800,000
22	Fund sources:	
23	State general fund	\$ 1,800,000
24	Children's autism intensive early	
25	intervention services for toddlers	\$ 500,000
26	Fund sources:	
27	State general fund	\$ 500,000
28	Arizona early intervention program	\$ 3,500,000
29	Fund sources:	
30	State general fund	\$ 3,500,000
31	Performance measures:	
32	Per cent of consumer satisfaction with	
33	case management services	98
34	Per cent of relatives and caregivers of	
35	consumers stating the services received	
36	meet the consumer's needs	95
37	Per cent of relatives and caregivers satisfied	
38	with the providers of services received	95
39	It is the intent of the legislature that any available surplus monies	
40	for developmental disability programs be applied toward the waiting list,	
41	unless there are insufficient monies to annualize these costs in the	
42	subsequent year. The children's waiting list shall receive first priority.	
43	The amount appropriated for developmental disabilities shall be used to	
44	provide for services for nontitle XIX eligible clients. The amount shall not	

be used for other purposes, unless a transfer of monies is reviewed by the joint legislative budget committee.

The department of economic security shall report all new placements into a state-owned ICF-MR or the Arizona training program at Coolidge campus in fiscal year 2008-2009 to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee and the reason why this placement, rather than a placement into a privately run facility for the developmentally disabled, was deemed as the most appropriate placement. The department shall also report if no new placements were made. This report shall be made available by July 15, 2009.

The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be not more than two per cent. Before implementation of any changes in capitation rates for the long-term care program, the department of economic security shall report for review the expenditure plan to the joint legislative budget committee. Before the department implements any changes in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the department shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. If the fiscal analysis demonstrates that these changes will result in additional state costs of \$500,000 or greater for a given fiscal year, the department shall submit the policy changes for review by the joint legislative budget committee.

For fiscal year 2008-2009, the department of economic security shall not increase reimbursement rates for community service providers and independent service agreement providers contracting with the division of developmental disabilities.

Prior to the implementation of any developmentally disabled or long-term care statewide provider rate increases not already specifically authorized by the legislature, court mandates or changes to federal law, the department shall submit a report for review by the joint legislative budget committee. The report shall include, at a minimum, the estimated cost of the provider rate increase and the ongoing source of funding for the increase.

All monies in the long-term care system fund unexpended and unencumbered at the end of fiscal year 2008-2009 revert to the state general fund, subject to approval by the Arizona health care cost containment system administration.

Benefits and medical eligibility

FTE positions	574.0
Operating lump sum appropriation	\$ 38,786,700

1	Fund sources:	
2	State general fund	\$ 23,851,900
3	Federal temporary assistance	
4	for needy families block grant	14,934,800
5	Temporary assistance for	
6	needy families cash	
7	benefits	\$125,148,000
8	Fund sources:	
9	State general fund	\$ 45,850,800
10	Federal temporary assistance	
11	for needy families block	
12	grant	79,297,200
13	General assistance	\$ 2,060,800
14	Fund sources:	
15	State general fund	\$ 2,060,800
16	Tribal pass-through funding	\$ 4,288,700
17	Fund sources:	
18	State general fund	\$ 4,288,700
19	Tuberculosis control payments	\$ 32,200
20	Fund sources:	
21	State general fund	\$ 32,200
22	Eligibility system upgrade	6,431,300
23	Fund sources:	
24	State general fund	\$ 963,300
25	Federal temporary assistance	
26	for needy families block grant	5,468,000
27	Performance measures:	
28	Per cent of cash benefits issued timely	98.6
29	Per cent of total cash benefits payments	
30	issued accurately	95.0
31	Per cent of total food stamps payments	
32	issued accurately	96.0
33	Per cent of clients satisfied with family	
34	assistance administration	90.0
35	The operating lump sum appropriation may be expended on Arizona health	
36	care cost containment system eligibility determinations based on the results	
37	of the Arizona random moment sampling survey.	
38	Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,	
39	any transfer to or from the \$125,148,000 appropriated for temporary	
40	assistance for needy families cash benefits requires review by the joint	
41	legislative budget committee.	
42	Of the amount appropriated for temporary assistance for needy families	
43	cash benefits, \$500,000 reflects appropriation authority only to ensure	
44	sufficient cashflow to administer cash benefits for tribes operating their	
45	own welfare programs. The department shall notify the joint legislative	

1 budget committee and the governor's office of strategic planning and
 2 budgeting staff before the use of any of the \$500,000 appropriation
 3 authority.

4 Child support enforcement

5 FTE positions 863.8

6 Operating lump sum appropriation \$ 48,729,300

7 Fund sources:

8 State general fund \$ 8,087,000

9 Child support enforcement

10 administration fund 11,310,400

11 Expenditure authority 29,331,900

12 Genetic testing \$ 360,000

13 Fund sources:

14 State general fund \$ 122,400

15 Expenditure authority 237,600

16 County participation \$ 6,845,200

17 Fund sources:

18 Child support enforcement

19 administration fund \$ 1,384,100

20 Expenditure authority 5,461,100

21 Attorney general legal services \$ 9,922,500

22 Fund sources:

23 State general fund \$ 910,600

24 Child support enforcement

25 administration fund 2,425,100

26 Expenditure authority 6,586,800

27 Performance measures:

28 Total IV-D collections \$370,700,000

29 Ratio of current IV-D support collected

30 and distributed to current IV-D support

31 due 50.4

32 All state share of retained earnings, fees and federal incentives above
 33 \$15,119,600 received by the division of child support enforcement are
 34 appropriated for operating expenditures. New full-time equivalent positions
 35 may be authorized with the increased funding. The division of child support
 36 enforcement shall report the intended use of the monies to the president of
 37 the senate, the speaker of the house of representatives, the chairpersons of
 38 the senate and house of representatives appropriations committees and the
 39 director of the joint legislative budget committee and the director of the
 40 governor's office of strategic planning and budgeting.

41 Aging and community services

42 FTE positions 109.6

43 Operating lump sum appropriation \$ 7,069,900

44 Fund sources:

45 State general fund \$ 6,822,400

1	Federal temporary assistance	
2	for needy families block	
3	grant	247,500
4	Adult services	\$ 19,277,700
5	Fund sources:	
6	State general fund	\$ 19,277,700
7	Community and emergency	
8	services	\$ 5,424,900
9	Fund sources:	
10	Federal temporary assistance	
11	for needy families block	
12	grant	\$ 5,424,900
13	Coordinated hunger	\$ 2,014,600
14	Fund sources:	
15	State general fund	\$ 1,514,600
16	Federal temporary assistance	
17	for needy families block	
18	grant	500,000
19	Coordinated homeless	\$ 2,804,900
20	Fund sources:	
21	State general fund	\$ 1,155,400
22	Federal temporary assistance	
23	for needy families block	
24	grant	1,649,500
25	Domestic violence prevention	\$ 16,647,400
26	Fund sources:	
27	State general fund	\$ 8,326,700
28	Federal temporary assistance	
29	for needy families block	
30	grant	6,620,700
31	Domestic violence shelter fund	1,700,000
32	Lifespan respite care	\$ 500,000
33	Fund sources:	
34	State general fund	\$ 500,000
35	Performance measures:	
36	Adult protective services investigation	
37	per cent rate	100

38 The department shall report on activities of food distribution efforts
 39 funded through the monies in the coordinated hunger line item to the joint
 40 legislative budget committee by March 15, 2009. The report shall demonstrate
 41 how the food was distributed and shall include letters from each
 42 participating food bank stating its satisfaction with the distribution and
 43 the department shall verify that food products have been distributed through
 44 regional food banks to all rural areas of the state.

1 All domestic violence shelter fund monies above \$1,700,000 received by
 2 the department of economic security are appropriated for the domestic
 3 violence prevention line item. The department of economic security shall
 4 report the intended use of the monies above \$1,700,000 to the joint
 5 legislative budget committee.

6 The department of economic security shall report to the joint
 7 legislative budget committee on the amount of state and federal monies
 8 available statewide for domestic violence funding by December 15, 2008. The
 9 report shall include, at a minimum, the amount of monies available and the
 10 state fiscal agent receiving those monies.

11 Children, youth and families

12	FTE positions	1,616.7
13	Operating lump sum appropriation	\$ 98,202,700
14	Fund sources:	
15	State general fund	\$ 61,447,000
16	Children and family services	
17	training program fund	209,600
18	Federal temporary assistance	
19	for needy families block	
20	grant	36,546,100
21	Adoption services	\$ 55,244,600
22	Fund sources:	
23	State general fund	\$ 35,942,200
24	Federal temporary assistance	
25	for needy families block	
26	grant	19,302,400
27	Adoption services - family	
28	preservation projects	\$ 700,000
29	Fund sources:	
30	Federal temporary assistance	
31	for needy families block	
32	grant	\$ 700,000
33	Attorney general legal	
34	services	\$ 12,273,900
35	Fund sources:	
36	State general fund	\$ 12,221,700
37	Federal temporary assistance	
38	for needy families block	
39	grant	52,200
40	Child abuse prevention	\$ 826,900
41	Fund sources:	
42	Child abuse prevention fund	\$ 826,900
43	Children support services	\$ 76,082,400

1	Fund sources:	
2	State general fund	\$ 45,403,300
3	Child abuse prevention fund	750,000
4	Federal temporary assistance	
5	for needy families block	
6	grant	29,929,100
7	Comprehensive medical and dental	
8	program	\$ 2,057,000
9	Fund sources:	
10	State general fund	\$ 2,057,000
11	Child protective services appeals	\$ 732,900
12	Fund sources:	
13	State general fund	\$ 732,900
14	CPS emergency placement	\$ 5,186,500
15	Fund sources:	
16	State general fund	\$ 2,180,100
17	Federal temporary assistance	
18	for needy families block	
19	grant	3,006,400
20	Education and training vouchers	\$ 700,000
21	Fund sources:	
22	State general fund	\$ 700,000
23	Family builders program	\$ 5,200,000
24	Fund sources:	
25	Federal temporary assistance for	
26	needy families block grant	\$ 5,200,000
27	Foster care placement	\$ 23,362,600
28	Fund sources:	
29	State general fund	\$ 17,139,500
30	Federal temporary assistance for	
31	needy families block grant	6,223,100
32	Healthy families	\$ 10,750,000
33	Fund sources:	
34	State general fund	\$ 5,715,800
35	Federal temporary assistance for	
36	needy families block grant	5,034,200
37	Homeless youth intervention	\$ 400,000
38	Fund sources:	
39	Federal temporary assistance for	
40	needy families block grant	\$ 400,000
41	Independent living maintenance	\$ 3,136,000
42	Fund sources:	
43	State general fund	\$ 3,136,000

1	Intensive family services	\$ 1,985,600
2	Fund sources:	
3	State general fund	\$ 1,985,600
4	Joint substance abuse - AZ families	
5	F.I.R.S.T.	\$ 7,224,500
6	Fund sources:	
7	State general fund	\$ 5,224,500
8	Federal TANF block grant	2,000,000
9	Permanent guardianship subsidy	\$ 8,935,300
10	Fund sources:	
11	State general fund	\$ 7,192,300
12	Federal temporary assistance for	
13	needy families block grant	1,743,000
14	CPS residential placement	\$ 17,710,000
15	Fund sources:	
16	State general fund	\$ 6,543,400
17	Federal temporary assistance for	
18	needy families block grant	11,166,600
19	Performance measures:	
20	Per cent of newly hired CPS specialists	
21	completing training within 7 months	
22	of hire	100
23	Per cent of children in out-of-home care	
24	who have not returned to their families	
25	or been permanently placed elsewhere	
26	for more than 24 consecutive months	19
27	Per cent of CPS reports responded to by CPS	
28	staff	100
29	Per cent of CPS original dependencies	
30	cases where court denied or dismissed	<1
31	Per cent of office of administrative hearings	
32	where CPS case findings are affirmed	90
33	Per cent of CPS complaints reviewed by	
34	the office of the ombudsman-citizens	
35	aide where allegations are reported	
36	as valid by the ombudsman	13
37	Average number of days spent in shelter	
38	placements	15
39	Number of children in shelter care more	
40	than 21 days	0
41	Number of children under 3 in shelter care	0
42	Number of children under 6 in group homes	0

1 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
 2 any transfer to or from the amounts appropriated for children support
 3 services, CPS emergency placement, CPS residential placement or foster care
 4 placement requires review by the joint legislative budget committee.

5 Of the amounts appropriated for children support services, CPS
 6 emergency placement, CPS residential placement and foster care placement,
 7 \$22,613,100 is appropriated from the federal temporary assistance for needy
 8 families block grant to the social services block grant for deposit in the
 9 following line items in the following amounts:

10	Children support services	5,371,700
11	CPS emergency placement	2,333,700
12	CPS residential placement	9,833,300
13	Foster care placement	5,074,400

14 The department of economic security shall provide training to any new
 15 child protective services FTE positions before assigning to any of these
 16 employees any client caseload duties.

17 It is the intent of the legislature that the department of economic
 18 security use the funding in the division of children, youth and families to
 19 achieve a one hundred per cent investigation rate.

20 Employment and rehabilitation services

21	FTE positions	559.9
22	Operating lump sum appropriation	\$ 32,426,800
23	Fund sources:	
24	State general fund	\$ 9,847,000
25	Federal child care and development	
26	fund block grant	10,508,800
27	Federal temporary assistance for	
28	needy families block grant	5,897,400
29	Workforce investment act grant	2,282,600
30	Special administration fund	85,000
31	Spinal and head injuries trust	
32	fund	569,500
33	Federal Reed act grant	3,236,500

34 JOBS \$ 23,571,700

35 Fund sources:

36	State general fund	\$ 1,825,200
37	Federal temporary assistance for	
38	needy families block grant	18,246,500
39	Workforce investment act grant	2,000,000
40	Special administration fund	1,500,000
41	Day care subsidy	\$162,289,000

42 Fund sources:

43	State general fund	\$ 82,920,100
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1	Federal child care and	
2	development fund block grant	64,285,800
3	Federal temporary assistance for	
4	needy families block grant	15,083,100
5	Transitional child care	\$ 36,193,000
6	Fund sources:	
7	Federal child care and	
8	development fund block	
9	grant	\$ 36,193,000
10	Vocational rehabilitation	
11	services	\$ 4,919,100
12	Fund sources:	
13	State general fund	\$ 4,714,400
14	Spinal and head injuries	
15	trust fund	204,700
16	Independent living rehabilitation	
17	services	\$ 2,491,900
18	Fund sources:	
19	State general fund	\$ 784,200
20	Spinal and head injuries trust	
21	fund	1,707,700
22	Summer youth employment and training	750,000
23	Fund sources:	
24	State general fund	\$ 750,000
25	Workforce investment act - local	
26	governments	\$ 48,040,600
27	Fund sources:	
28	Workforce investment act grant	\$ 48,040,600
29	Workforce investment act -	
30	discretionary	\$ 3,614,000
31	Fund sources:	
32	Workforce investment act grant	\$ 3,614,000
33	Performance measures:	
34	Number of TANF recipients who obtained	
35	employment	17,000
36	Per cent of customer satisfaction with	
37	child care	95.0
38	Vocational rehabilitation individuals	
39	successfully rehabilitated	4,000
40	It is the intent of the legislature to fully fund child care caseloads	
41	and not create a wait list.	
42	Of the \$162,289,000 appropriated for day care subsidy, \$115,019,900 is	
43	for a program in which the upper income limit is no more than one hundred	
44	sixty-five per cent of the federal poverty level.	

The amounts appropriated for day care subsidy and transitional child care shall be used exclusively for child care costs unless a transfer of monies is reviewed by the joint legislative budget committee. Monies shall not be used from these appropriated amounts for any other expenses of the department of economic security unless a transfer of monies is reviewed by the joint legislative budget committee.

Monies in the child care subsidy and transitional child care line items shall be used to provide services only to residents of the state of Arizona who are citizens or legal residents of the United States or who are otherwise lawfully present in the United States.

All spinal and head injuries trust fund receipts received by the department of economic security in excess of \$2,481,900 are appropriated to the independent living rehabilitation services line item. Before the expenditure of any spinal and head injuries trust fund receipts in excess of \$2,481,900, the department of economic security shall submit the intended use of the monies for review by the joint legislative budget committee.

All federal workforce investment act funds for local governments that are received by the state in excess of \$48,040,600 are appropriated to the workforce investment act - local governments line item. Excess monies may not be spent until a proposed expenditure plan for the excess monies has been reviewed by the joint legislative budget committee.

Agencywide lump sum reduction	\$ (5,250,000)
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Fund sources:

State general fund	\$ (5,250,000)
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Performance measures:

Agencywide customer satisfaction rating

(Scale 1-5)	3.8
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The department of economic security agencywide lump sum reduction may not be taken against the appropriation made for lifespan respite care.

The department of economic security may shift existing full-time equivalent positions from other divisions within the agency to the division of benefits and medical eligibility.

The above appropriations are in addition to funds granted to the state by the federal government for the same purposes but shall be deemed to include the sums deposited in the state treasury to the credit of the department of economic security pursuant to section 42-5029, Arizona Revised Statutes.

A monthly report comparing total expenditures for the month and year-to-date as compared to prior year totals shall be forwarded to the president of the senate, the speaker of the house of representatives, the chairpersons of the senate and house of representatives appropriations committees and the director of the joint legislative budget committee by the thirtieth of the following month. The report shall include an estimate of (1) potential shortfalls in entitlement programs, (2) potential federal and other funds, such as the statewide assessment for indirect costs, and any

1 projected surplus in state supported programs that may be available to offset
 2 these shortfalls and a plan, if necessary, for eliminating any shortfall
 3 without a supplemental appropriation, (3) shortfalls resulting from new
 4 leases or renegotiations of current leases and associated costs and (4) total
 5 expenditure authority of the child support enforcement program for the month
 6 and year-to-date as compared to prior year totals.

7 Sec. 7. STATE BOARD OF EDUCATION AND SUPERINTENDENT OF PUBLIC INSTRUCTION
 8 2008-09

9 Administration

10 FTE positions 72.5
 11 Lump sum appropriation \$ 6,705,300

12 Fund sources:

13 State general fund \$ 6,705,300

14 The lump sum appropriation includes \$291,100 and 4 FTE positions for
 15 average daily membership auditing and \$200,000 and 2 FTE positions for
 16 information technology security services.

17 Formula programs

18 FTE positions 29.0
 19 Operating lump sum appropriation \$ 2,198,700
 20 Basic state aid \$3,341,770,200

21 Fund sources:

22 State general fund \$3,296,549,500
 23 Permanent state school fund 45,220,700

24 The above appropriation provides basic state support to school
 25 districts for maintenance and operations funding as provided by section
 26 15-973, Arizona Revised Statutes, and includes an estimated \$45,220,700 in
 27 expendable income derived from the permanent state school fund and from state
 28 trust lands pursuant to section 37-521, subsection B, Arizona Revised
 29 Statutes, for fiscal year 2008-2009.

30 Receipts derived from the permanent state school fund and any other
 31 nonstate general fund revenue source that is dedicated to fund basic state
 32 aid will be expended, whenever possible, before expenditure of state general
 33 fund monies.

34 Except as required by section 37-521, Arizona Revised Statutes, all
 35 monies received during the fiscal year from national forests, interest
 36 collected on deferred payments on the purchase of state lands, the income
 37 from the investment of permanent funds as prescribed by the enabling act and
 38 the Constitution of Arizona and all monies received by the superintendent of
 39 public instruction from whatever source, except monies received pursuant to
 40 sections 15-237 and 15-531, Arizona Revised Statutes, when paid into the
 41 state treasury are appropriated for apportionment to the various counties in
 42 accordance with law. An expenditure shall not be made except as specifically
 43 authorized above.

44 Additional state aid \$ 404,880,500
 45 Special education fund 35,237,700

1	Other state aid to districts	983,900
2	Total - formula programs	\$3,785,071,000
3	Fund sources:	
4	State general fund	\$3,739,850,300
5	Permanent state school fund	45,220,700
6	<u>Non-formula programs</u>	
7	FTE positions	149.4
8	Operating lump sum appropriation \$	1,766,100
9	Achievement testing	10,246,200
10	Before making any changes to the achievement testing program that will	
11	increase program costs, the state board of education shall report the	
12	estimated fiscal impact of those changes to the joint legislative budget	
13	committee.	
14	AIMS intervention; dropout	
15	prevention	5,550,000
16	School accountability	4,699,100
17	Adult education and GED	4,477,900
18	Chemical abuse	826,300
19	English learner administration	5,025,500
20	The appropriated amount is to be used by the department of education to	
21	provide English language acquisition services for the purposes of section	
22	15-756.07, Arizona Revised Statutes, and for the costs of providing English	
23	language proficiency assessments, scoring and ancillary materials as	
24	prescribed by the department of education to school districts and charter	
25	schools for the purposes of title 15, chapter 7, article 3.1, Arizona Revised	
26	Statutes. The department of education may use a portion of the appropriated	
27	amount to hire staff or contract with a third party to carry out the purposes	
28	of section 15-756.07, Arizona Revised Statutes. Notwithstanding section	
29	41-192, Arizona Revised Statutes, the superintendent of public instruction	
30	also may use a portion of the appropriated amount to contract with one or	
31	more private attorneys to provide legal services in connection with the case	
32	of <u>Flores v. State of Arizona</u> , No. CIV 92-596-TUC-RCC.	
33	Compensatory instruction fund	
34	deposit	10,000,000
35	Extended school year	500,000
36	Family literacy	1,011,300
37	Gifted support	3,385,300
38	School safety program	6,728,300
39	Small pass-through programs	681,600
40	The appropriated amount includes \$50,000 for the academic contest fund,	
41	\$82,400 for academic decathlon, \$50,000 for Arizona geographic alliance,	
42	\$40,000 for the Arizona humanities council, \$25,200 for Arizona principal's	
43	academy, \$234,000 for Arizona school service through education technology,	
44	\$50,000 for project citizen and \$50,000 for the economic academic council and	
45	\$100,000 for civics training.	

1	State block grant for early	
2	childhood education	19,457,100
3	State block grant for vocational	
4	education	11,467,200
5	Vocational education extended year	600,000
6	Teacher certification	1,994,000
7	Monies collected by the department of education for teacher	
8	certification fees, as authorized by section 15-531, paragraphs 1 and 2,	
9	Arizona Revised Statutes, shall be deposited in a teacher certification fund	
10	for use in funding costs of the teacher certification program.	
11	Parental choice for reading success	1,000,000
12	Optional performance incentive	
13	programs	<u>120,000</u>
14	Total - nonformula programs	\$ 89,535,900
15	Fund sources:	
16	State general fund	\$ 80,324,200
17	Proposition 301 fund	7,000,000
18	Teacher certification fund	2,211,700
19	Performance measures:	
20	Per cent of students tested who perform	
21	at or above the national norm on the	
22	norm-referenced test (grade 2)	
23	-- reading	50
24	-- math	55
25	Per cent of students tested who perform	
26	at or above the national norm on the	
27	norm-referenced test (grade 9)	
28	-- reading	56
29	-- math	56
30	Per cent of schools with at least 75% of	
31	students meeting or exceeding standards in:	
32	-- reading	42
33	-- writing	56
34	-- math	42
35	Per cent of Arizona high school students	
36	who enter grade 9 and graduate within	
37	4 years	70
38	Per cent of students in grade 3 meeting	
39	or exceeding state academic standards in:	
40	-- reading	80
41	-- writing	84
42	-- math	80
43	Per cent of students in grade 5 meeting	
44	or exceeding state academic standards in:	
45	-- reading	77

1	-- writing	75
2	-- math	77
3	Per cent of students in grade 8 meeting	
4	or exceeding state academic standards in:	
5	-- reading	73
6	-- writing	86
7	-- math	70
8	Per cent of students in grade 12 meeting	
9	or exceeding state academic standards in:	
10	-- reading	41
11	-- writing	40
12	-- math	27
13	Per cent of students tested:	
14	-- norm-referenced test (grades 2 and 9)	96
15	-- AIMS	98
16	Per cent of Arizona schools receiving an	
17	underperforming label	4
18	Maximum number of days to process	
19	complete certification applications	8
20	Per cent of customers satisfied with	
21	certification services	92
22	<u>State board of education</u>	
23	FTE positions	10.0
24	Operating lump sum appropriation	\$ 1,076,100
25	Math or science initiatives	\$ 2,500,000
26	Total - state board of education	\$ 3,576,100
27	Fund sources:	
28	State general fund	\$ 3,192,500
29	Teacher certification fund	383,600
30	Performance measures:	
31	Per cent of parents who rate "A+" the public	
32	school that their oldest school-age child	
33	attends	9.0
34	The appropriated amount includes \$100,000 for administering a survey to	
35	a random sample of parents of children in public schools statewide. The	
36	survey shall consist of the following question: "Students are given the	
37	grades A+, A, B, C, D and Fail to denote the quality of their work. Using	
38	the same A+, A, B, C, D and Fail scale, what grade would you give the school	
39	that your oldest child attends?"	
40	The state board of education program may establish its own strategic	
41	plan separate from that of the department of education and based on its own	
42	separate mission, goals and performance measures.	
43	Agencywide lump sum reduction	\$ (2,200,000)
44	Fund sources:	
45	State general fund	\$ (2,200,000)

1 Total appropriation - state board of
 2 education and superintendent
 3 of public instruction \$3,882,688,300

4 Fund sources:
 5 State general fund \$3,827,872,300
 6 Proposition 301 fund 7,000,000
 7 Permanent state school fund 45,220,700
 8 Teacher certification fund 2,595,300

9 The department of education agencywide lump sum reduction may not be
 10 taken against the appropriation made to the state board of education or
 11 funding normally passed on to school districts or charter schools.

12 The department shall provide an updated report on its budget status
 13 every two months for the first half of each fiscal year and every month
 14 thereafter to the president of the senate, the speaker of the house of
 15 representatives, the chairpersons of the senate and house of representatives
 16 appropriations committees, the director of the joint legislative budget
 17 committee and the director of the governor's office of strategic planning and
 18 budgeting. Each report shall include, at a minimum, the department's current
 19 funding surplus or shortfall projections for basic state aid and other major
 20 formula-based programs and shall be due thirty days after the end of the
 21 applicable reporting period.

22 Within fifteen days of each apportionment of state aid that occurs
 23 pursuant to section 15-973, subsection B, Arizona Revised Statutes, the
 24 department shall provide the joint legislative budget committee staff and the
 25 governor's office of strategic planning and budgeting with an electronic
 26 spreadsheet or database copy of data included in the apor55-1 report for that
 27 apportionment for each school district and the char55-1 report for that
 28 apportionment for each charter school.

29 Sec. 8. DEPARTMENT OF FINANCIAL INSTITUTIONS

30		<u>2008-09</u>
31	FTE positions	57.1
32	Lump sum appropriation	\$ 3,806,800
33	Fund sources:	
34	State general fund	\$ 3,806,800
35	Performance measures:	
36	Per cent of examinations reports mailed	
37	within 25 days of examiner's completion	
38	of exam procedures	78.0
39	Per cent of license applications approved	
40	within 45 days of receipt	65.0
41	Per cent of examinations receiving	
42	satisfactory rating	91.0
43	Average days from receipt to resolution	
44	of regular complaints	100.0

1 Per cent of complainants indicating they
 2 received "good" or "better" service when
 3 filing a complaint 75.0
 4 The department of financial institutions shall assess and set fees to
 5 ensure that monies deposited in the state general fund will equal or exceed
 6 its expenditure from the state general fund.
 7 Sec. 9. DEPARTMENT OF HEALTH SERVICES
 8 2008-09
 9 Administration
 10 FTE positions 432.8
 11 Operating lump sum appropriation \$ 17,658,300
 12 Fund sources:
 13 State general fund \$ 14,876,300
 14 Capital outlay stabilization
 15 fund 1,578,100
 16 Emergency medical services
 17 operating fund 203,900
 18 Indirect cost fund 1,000,000
 19 Assurance and licensure \$ 11,553,100
 20 Fund sources:
 21 State general fund \$ 9,392,500
 22 Federal child care and development
 23 fund block grant 829,200
 24 Hearing and speech professionals
 25 fund 343,200
 26 Nursing care institution resident
 27 protection revolving fund 38,000
 28 Expenditure authority 950,200
 29 Attorney general legal services \$ 444,900
 30 Fund sources:
 31 State general fund \$ 394,900
 32 Emergency medical services
 33 operating fund 50,000
 34 Newborn screening program fund -
 35 indirect costs \$ 478,600
 36 Fund sources:
 37 Newborn screening program fund \$ 478,600
 38 Indirect cost fund \$ 8,053,000
 39 Fund sources:
 40 Indirect cost fund \$ 8,053,000
 41 Performance measures:
 42 Per cent of relicensure surveys completed
 43 on time:
 44 Child care facilities 97
 45 Health care facilities 85

1	Per cent of complaint investigations initiated	
2	later than investigative guidelines:	
3	Child care facilities	0
4	Health care facilities	30
5	<u>Public health</u>	
6	FTE positions	245.1
7	Operating lump sum appropriation	\$ 6,660,500
8	Fund sources:	
9	State general fund	\$ 5,823,200
10	Emergency medical services	
11	operating fund	837,300
12	AIDS reporting and surveillance	\$ 1,125,000
13	Fund sources:	
14	State general fund	\$ 1,125,000
15	Alzheimer's disease research	\$ 4,000,000
16	Fund sources:	
17	State general fund	\$ 3,000,000
18	Tobacco tax and health care	
19	fund - health research account	1,000,000
20	Arizona statewide immunization	
21	information system	\$ 517,500
22	Fund sources:	
23	State general fund	\$ 517,500
24	Community health centers	\$ 13,481,300
25	Fund sources:	
26	State general fund	\$ 8,981,300
27	Tobacco tax and health care	
28	fund - medically needy	
29	account	4,500,000
30	County public health	\$ 200,000
31	Fund sources:	
32	State general fund	\$ 200,000
33	County tuberculosis provider	
34	care and control	\$ 1,410,500
35	Fund sources:	
36	State general fund	\$ 1,410,500
37	Diabetes prevention and control	\$ 400,000
38	Fund sources:	
39	State general fund	\$ 400,000
40	Direct grants	\$ 460,300
41	Fund sources:	
42	State general fund	\$ 460,300
43	EMS operations	\$ 3,263,900

1	Fund sources:	
2	Emergency medical services	
3	operating fund	\$ 3,263,900
4	Hepatitis C surveillance	\$ 409,300
5	Fund sources:	
6	State general fund	\$ 409,300
7	Kidney program	\$ 50,500
8	Fund sources:	
9	State general fund	\$ 50,500
10	Laboratory services	\$ 5,064,300
11	Fund sources:	
12	State general fund	\$ 4,087,900
13	Environmental laboratory licensure	
14	revolving fund	976,400
15	Loan repayment	\$ 750,000
16	Fund sources:	
17	State general fund	\$ 100,000
18	Emergency medical services	
19	operating fund	650,000
20	Poison control center funding	\$ 675,000
21	Fund sources:	
22	State general fund	\$ 675,000
23	Reimbursement to counties	\$ 67,900
24	Fund sources:	
25	State general fund	\$ 67,900
26	Renal and nonrenal disease management	\$ 468,000
27	Fund sources:	
28	State general fund	\$ 468,000
29	Scorpion antivenom	\$ 150,000
30	Fund sources:	
31	State general fund	\$ 150,000
32	STD control subventions	\$ 26,300
33	Fund sources:	
34	State general fund	\$ 26,300
35	Telemedicine	\$ 260,000
36	Fund sources:	
37	State general fund	\$ 260,000
38	Teratogen program	\$ 60,000
39	Fund sources:	
40	State general fund	\$ 60,000
41	Trauma advisory board	\$ 405,400
42	Fund sources:	
43	Emergency medical services	
44	operating fund	\$ 405,400

1 University of Arizona poison
2 control center funding \$ 1,275,000
3 Fund sources:
4 State general fund \$ 1,275,000
5 Vaccines \$ 8,410,400
6 Fund sources:
7 State general fund \$ 8,410,400
8 Vital records maintenance \$ 502,200
9 Fund sources:
10 Vital records electronic
11 systems fund \$ 502,200
12 Performance measures:
13 Immunization rate among two-year-old
14 children 84
15 Per cent of high school youth who smoked
16 in the last month 18
17 Customer waiting time in vital records
18 lobby (in minutes) 13
19 Of the \$13,481,300 appropriated for community health centers, at least
20 \$564,000 shall be distributed to Yavapai county for county primary care
21 programs.
22 The department of health services may use up to four per cent of the
23 amounts appropriated for renal and nonrenal disease management, community
24 health centers and telemedicine for the administrative costs to implement
25 each program.
26 Monies appropriated for AIDS reporting and surveillance and renal and
27 nonrenal disease management shall be used to provide services only to
28 residents of the state of Arizona who are citizens or legal residents of the
29 United States or who are otherwise lawfully present in the United States.
30 The department of health services shall report to the joint legislative
31 budget committee by February 1, 2009 on the amount of federal monies received
32 for fiscal year 2008-2009 for the 317 vaccine program.
33 The appropriation for direct grants is to provide for local health work
34 and a portion of the cost of employing one public health nurse and one
35 sanitarian in counties with populations of less than 500,000 persons. The
36 monies are to be divided equally among eligible counties on a nonmatching
37 basis. All monies that are received by a county under this appropriation and
38 that are not used for the prescribed purposes revert to the state general
39 fund.
40 The \$67,900 appropriated for reimbursement to counties is to provide
41 matching monies to counties with populations of less than five hundred
42 thousand persons for local health work on an equal matching basis and shall
43 be distributed based on the proportion of funding each county received in
44 fiscal year 2002-2003.

The \$200,000 appropriated for county public health shall be distributed as follows to the following counties to reimburse local health departments pursuant to section 36-189, Arizona Revised Statutes: Coconino, \$36,220; Gila, \$5,440; Mohave, \$30,780; Yavapai, \$25,820; Yuma, \$101,740.

The department of health services shall distribute a pamphlet on umbilical cord blood pursuant to section 36-112, Arizona Revised Statutes. The department shall distribute the pamphlet free of charge to physicians and health care institutions on request and shall make the pamphlet available on its website.

The department of health services shall require the screening of potential recipients of vaccines for private insurance coverage, eligibility for the federal vaccines for children program and eligibility for the state children's health insurance program. This requirement applies to vaccines purchased with state monies appropriated for the vaccines line item for both the federal 317 program and the state-only immunization program.

Family health

FTE positions	96.8
Operating lump sum appropriation	\$ 6,002,700
Fund sources:	
State general fund	\$ 3,821,700
Expenditure authority	2,181,000
Adult cystic fibrosis	\$ 105,200
Fund sources:	
State general fund	\$ 105,200
Adult sickle cell anemia	\$ 33,000
Fund sources:	
State general fund	\$ 33,000
AHCCCS - children's rehabilitative services	\$ 81,151,300
Fund sources:	
State general fund	\$ 27,688,800
Expenditure authority	53,462,500
Breast and cervical cancer and bone density screening	\$ 1,348,600
Fund sources:	
State general fund	\$ 1,348,600
Child fatality review team	\$ 247,200
Fund sources:	
Child fatality review fund	\$ 100,000
Emergency medical services operating fund	147,200
Children's rehabilitative services	\$ 3,587,000
Fund sources:	
State general fund	\$ 3,587,000

1	County prenatal services grant	\$ 1,148,500
2	Fund sources:	
3	State general fund	\$ 1,148,500
4	Folic acid	\$ 400,000
5	Fund sources:	
6	Tobacco tax and health care fund -	
7	medically needy account	\$ 400,000
8	High risk perinatal services	\$ 5,430,600
9	Fund sources:	
10	State general fund	\$ 4,980,600
11	Emergency medical services	
12	operating fund	450,000
13	Medicaid special exemption	
14	payments	\$ 1,803,400
15	Fund sources:	
16	State general fund	\$ 615,300
17	Expenditure authority	1,188,100
18	Newborn screening program	\$ 6,351,000
19	Fund sources:	
20	Newborn screening program fund	\$ 6,351,000
21	Senior food program	\$ 600,000
22	Fund sources:	
23	State general fund	\$ 600,000
24	Performance measures:	
25	Number of newborns screened under newborn	
26	screening program	107,214
27	The amounts appropriated for children's rehabilitative services and for	
28	AHCCCS - children's rehabilitative services are intended to cover all costs	
29	in full for contracts for the provision of services to clients, unless a	
30	transfer of monies is reviewed by the joint legislative budget committee.	
31	The department of health services may transfer up to \$350,000 in	
32	revenues from the indirect cost fund to the Arizona health care cost	
33	containment system administration for the purpose of meeting indirect cost	
34	state match requirements related to AHCCCS - children's rehabilitative	
35	services program.	
36	Of the \$5,430,600 appropriated for high risk perinatal services	
37	\$583,000 shall be distributed to counties.	
38	<u>Behavioral health</u>	
39	FTE positions	166.0
40	Operating lump sum appropriation	\$ 9,592,700
41	Fund sources:	
42	State general fund	\$ 4,528,800
43	Expenditure authority	5,063,900
44	Arnold v. Sarn	\$ 37,153,100

1	Fund sources:	
2	State general fund	\$ 27,500,000
3	Expenditure authority	9,653,100
4	Children's behavioral health	
5	services	\$ 9,351,800
6	Fund sources:	
7	State general fund	\$ 9,351,800
8	Children's behavioral health state	
9	match for title XIX	\$358,971,200
10	Fund sources:	
11	State general fund	\$122,432,700
12	Expenditure authority	236,538,500
13	Court monitoring	\$ 197,500
14	Fund sources:	
15	State general fund	\$ 197,500
16	Dual eligible part D copay subsidy	\$ 802,600
17	Fund sources:	
18	State general fund	\$ 802,600
19	Medicaid special exemption	
20	payments	\$ 20,423,900
21	Fund sources:	
22	State general fund	\$ 6,969,100
23	Expenditure authority	13,454,800
24	Medicare clawback payments	\$ 10,718,100
25	Fund sources:	
26	State general fund	\$ 10,718,100
27	Mental health and substance abuse	
28	state match for title XIX	\$105,892,800
29	Fund sources:	
30	State general fund	\$ 36,133,300
31	Expenditure authority	69,759,500
32	Mental health nontitle XIX	\$ 2,447,300
33	Fund sources:	
34	State general fund	\$ 2,447,300
35	Proposition 204 - administration	\$ 6,534,800
36	Fund sources:	
37	State general fund	\$ 2,130,200
38	Expenditure authority	4,404,600
39	Proposition 204 - children's	
40	behavioral health services	\$ 4,532,100
41	Fund sources:	
42	State general fund	\$ 1,546,500
43	Expenditure authority	2,985,600
44	Proposition 204 - general mental	
45	health and substance abuse	\$108,329,900

1 Fund sources:
 2 State general fund \$ 36,964,900
 3 Expenditure authority 71,365,000
 4 Proposition 204 - seriously
 5 mentally ill services \$208,954,800
 6 Fund sources:
 7 State general fund \$ 71,300,600
 8 Expenditure authority 137,654,200
 9 Seriously emotionally handicapped
 10 children \$ 500,000
 11 Fund sources:
 12 State general fund \$ 500,000
 13 Seriously mentally ill nontitle
 14 XIX \$ 61,116,700
 15 Fund sources:
 16 State general fund \$ 30,191,900
 17 Tobacco tax and health care
 18 fund-medically needy account 30,924,800
 19 Seriously mentally ill state match
 20 for title XIX \$201,129,500
 21 Fund sources:
 22 State general fund \$ 68,585,400
 23 Expenditure authority 132,544,100
 24 Substance abuse nontitle XIX \$ 14,635,400
 25 Fund sources:
 26 State general fund \$ 12,135,400
 27 Substance abuse services fund 2,500,000
 28 Contract compliance \$ 5,523,500
 29 Fund sources:
 30 State general fund \$ 1,856,100
 31 Expenditure authority 3,667,400
 32 Performance measures:
 33 Per cent of RBHA title XIX clients
 34 satisfied with services 90
 35 Per cent of title XIX population that is
 36 enrolled in a behavioral health service 12
 37 The amount appropriated for children's behavioral health services shall
 38 be used to provide services for nontitle XIX eligible children. The amount
 39 shall not be used to pay for either federally or nonfederally reimbursed
 40 services for title XIX eligible children, unless a transfer of monies is
 41 reviewed by the joint legislative budget committee.
 42 It is the intent of the legislature that the total amount available in
 43 the Arnold v. Sarn line item be used for the population covered by the Arnold
 44 v. Sarn lawsuit in counties with a population of two million or more persons
 45 and for seriously mentally ill persons that meet the same criteria as those

covered by the Arnold v. Sarn lawsuit in counties with populations of less than two million persons.

It is the intent of the legislature that the per cent attributable to administration/profit for the regional behavioral health authority in Maricopa county is nine per cent of the overall capitation rate.

The department of health services shall report to the joint legislative budget committee thirty days after the end of each calendar quarter on the progress the department is making toward settling the Arnold v. Sarn lawsuit. The report shall include at a minimum the department's progress towards meeting the exit criteria and whether the department is in compliance with the exit criteria schedule.

Arizona state hospital

FTE positions	877.7
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Operating lump sum appropriation	\$ 56,984,000
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Fund sources:

State general fund	\$ 50,932,100
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Arizona state hospital fund	4,901,900
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Arizona state hospital land earnings fund	1,150,000
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Community placement treatment	\$ 6,704,800
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Fund sources:

State general fund	\$ 5,574,100
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Arizona state hospital fund	1,130,700
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Sexually violent persons	\$ 10,628,100
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Fund sources:

State general fund	\$ 10,628,100
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Electronic medical records	\$ 300,000
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Fund sources:

State general fund	\$ 300,000
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Performance measures:

Per cent of adult clients successfully placed in community who return for another stay within one year of discharge	6.0
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Agencywide lump sum reduction	\$(8,650,000)
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Fund sources:

State general fund	\$(8,650,000)
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The department shall report to the joint legislative budget committee by March 1 of each year on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum shall be no more than two per cent. Before implementation of any changes in capitation rates for the AHCCCS - children's rehabilitative services line item and any title XIX behavioral health line items, the department of health services shall report its expenditure plan for review by the joint legislative budget committee.

1 Before the department implements any changes in policy affecting the amount,
2 sufficiency, duration and scope of health care services and who may provide
3 services, the department shall prepare a fiscal impact analysis on the
4 potential effects of this change on the following year's capitation rates.
5 If the fiscal analysis demonstrates that these changes will result in
6 additional state costs of \$500,000 or greater for a given fiscal year, the
7 department shall submit the policy changes for review by the joint
8 legislative budget committee.

9 In addition to the appropriation for the department of health services,
10 earnings on state lands and interest on the investment of the permanent land
11 funds are appropriated to the state hospital in compliance with the enabling
12 act and the Constitution of Arizona.

13 A monthly report comparing total expenditures for the month and
14 year-to-date as compared to prior year totals shall be forwarded to the
15 president of the senate, the speaker of the house of representatives, the
16 chairpersons of the senate and house of representatives appropriations
17 committees and the director of the joint legislative budget committee by the
18 thirtieth of the following month. The report shall include an estimate of
19 (1) potential shortfalls in programs, (2) potential federal and other funds,
20 such as the statewide assessment for indirect costs, that may be available to
21 offset these shortfalls, and a plan, if necessary, for eliminating any
22 shortfall without a supplemental appropriation, and (3) total expenditure
23 authority of the month and year-to-date for seriously mentally ill state
24 match for title XIX, seriously mentally ill nontitle XIX, children's
25 behavioral health services, children's behavioral health state match for
26 title XIX, mental health nontitle XIX, substance abuse nontitle XIX,
27 seriously emotionally handicapped children and children's rehabilitative
28 services.

29 Notwithstanding section 35-173, subsection C, Arizona Revised Statutes,
30 any transfer to or from the amounts appropriated for seriously mentally ill
31 state match for title XIX, seriously mentally ill nontitle XIX,
32 Arnold v. Sarn, vital records maintenance, folic acid, children's behavioral
33 health services, children's behavioral health state match for title XIX,
34 mental health nontitle XIX, substance abuse nontitle XIX, mental health and
35 substance abuse state match for title XIX, seriously emotionally handicapped
36 children, children's rehabilitative services, AHCCCS - children's
37 rehabilitative services, adult cystic fibrosis, adult sickle cell anemia,
38 high risk perinatal services, county prenatal services grant, community
39 placement treatment, dual eligible copay subsidy, sexually violent persons,
40 county tuberculosis provider care and control, kidney program, county
41 nutrition services, community health centers, vaccines, renal and nonrenal
42 disease management, AIDS reporting and surveillance, telemedicine, university
43 of Arizona poison center funding, poison control center funding, and women's
44 services shall require review by the joint legislative budget committee. The
45 department may transfer monies between the amounts appropriated for

1 proposition 204 children's behavioral health services, proposition 204
 2 seriously mentally ill services and proposition 204 general mental health and
 3 substance abuse without review by the joint legislative budget committee but
 4 may not transfer monies to and from these line items to any other line item
 5 except as provided above without review by the joint legislative budget
 6 committee. The amounts appropriated for these items shall be used
 7 exclusively for contracts for the provision of services to clients unless a
 8 transfer of monies is reviewed by the joint legislative budget committee or
 9 unless otherwise permitted to be expended for administrative costs as
 10 specified in this act. Monies shall not be used from these appropriated
 11 amounts for any other expenses of the department of health services, unless a
 12 transfer of monies is reviewed by the joint legislative budget committee.
 13 Sec. 10. ARIZONA JUDICIARY

14		<u>2008-09</u>
15	<u>Supreme court</u>	
16	FTE positions	194.0
17	Operating lump sum appropriation	\$ 16,854,600
18	Automation	12,420,400
19	Case and cash management system	1,517,300
20	County reimbursements	208,800
21	Court appointed special advocate	3,558,000
22	Domestic relations	586,400
23	Foster care review board	2,429,800
24	Commission on judicial conduct	436,800
25	Judicial nominations and	
26	performance review	323,200
27	Model court	497,300
28	State aid	<u>6,054,300</u>
29	Total appropriation - supreme court	\$ 44,886,900
30	Fund sources:	
31	State general fund	\$ 17,426,600
32	Confidential intermediary and	
33	fiduciary fund	488,900
34	Court appointed special advocate	
35	fund	3,456,000
36	Criminal justice enhancement fund	3,068,200
37	Defensive driving school fund	5,419,300
38	Judicial collection enhancement	
39	fund	12,082,000
40	State aid to the courts fund	2,945,900

41 By September 1, 2008, the supreme court shall report to the joint
 42 legislative budget committee on current and future automation projects
 43 coordinated by the administrative office of the courts. The report shall
 44 include a list of court automation projects receiving or anticipated to
 45 receive state monies in the current or next two fiscal years as well as a

description of each project, number of FTE positions, the entities involved and the goals and anticipated results for each automation project. The report shall be submitted in one summary document. The report shall indicate each project's total multi-year cost by fund source and budget line item, including any prior year, current year and any future year expenditures.

Included in the appropriation for the supreme court program is \$1,000 for the purchase of mementos and items for visiting officials.

All case processing assistance fund receipts received by the administrative office of the courts in excess of \$3,068,200 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of any case processing assistance fund receipts in excess of \$3,068,200 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

All defensive driving school fund receipts received by the administrative office of the courts in excess of \$5,419,300 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of any defensive driving school fund receipts in excess of \$5,419,300 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

Notwithstanding any other law, the amount appropriated for rural state aid to the courts shall be allocated to counties with populations of less than five hundred thousand persons.

All judicial collection enhancement fund receipts, excluding revenues resulting from the probation surcharge, received by the administrative office of the courts in excess of \$12,082,000 in fiscal year 2008-2009 are appropriated to the supreme court. Before the expenditure of judicial collection enhancement fund receipts in excess of \$12,082,000 in fiscal year 2008-2009, the administrative office of the courts shall submit the intended use of the monies for review by the joint legislative budget committee.

The administrative office of the courts shall not transfer monies between the supreme court operating budget and the automation line item without review by the joint legislative budget committee.

Court of appeals

FTE positions	147.5
Division I	\$ 9,657,700
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.3
Division II	\$ 4,296,100
Performance measures:	
Customer satisfaction rating for settlement program (Scale 1-8)	7.8
Total appropriation - court of appeals	\$ 13,953,800

1	Fund sources:	
2	State general fund	\$ 13,953,800
3	Of the 147.5 FTE positions for fiscal year 2008-2009, 107.2 FTE	
4	positions are for Division I and 40.3 FTE positions are for Division II.	
5	<u>Superior court</u>	
6	FTE positions	230.5
7	Judges compensation	\$ 18,136,100
8	Adult standard probation	15,060,600
9	Adult intensive probation	11,338,000
10	Community punishment	2,871,700
11	Interstate compact	656,100
12	Sex offenders GPS monitoring	436,800
13	Drug court	1,013,600
14	Juvenile standard probation	4,726,000
15	Juvenile intensive probation	9,886,100
16	Juvenile treatment services	22,504,700
17	Juvenile family counseling	660,400
18	Juvenile crime reduction	5,221,800
19	Probation surcharge	3,425,700
20	Juvenile diversion consequences	10,160,300
21	Special water master	<u>20,000</u>
22	Total appropriation - superior court	\$106,117,900
23	Fund sources:	
24	State general fund	\$ 95,140,000
25	Criminal justice enhancement fund	7,052,200
26	Drug treatment and education fund	500,000
27	Judicial collection enhancement	
28	fund	3,425,700
29	Performance measures:	
30	Customer satisfaction rating by states	
31	participating in the interstate compact	
32	(Scale 1-8)	7.0
33	<u>Juvenile standard probation:</u>	
34	Per cent of probationers successfully	
35	completing probation without a referral	
36	(a notice of misbehavior)	85
37	<u>Juvenile intensive probation (JIPS):</u>	
38	Per cent of probationers successfully	
39	completing probation without a referral	
40	(a notice of misbehavior)	70
41	<u>Adult standard probation:</u>	
42	Per cent of probationers exiting probation	
43	and not committed to county jail or prison	80

1 Adult intensive probation (AIPS):

2 Per cent of probationers exiting intensive
3 probation and not committed to county jail
4 or prison

50

5 Of the 230.5 FTE positions, 173 FTE positions represent superior court
6 judges. One-half of their salaries are provided by state general fund
7 appropriations pursuant to section 12-128, Arizona Revised Statutes. This is
8 not meant to limit the counties' ability to add judges pursuant to section
9 12-121, Arizona Revised Statutes.

10 Up to 4.6 per cent of the amounts appropriated for juvenile probation
11 services - treatment services and juvenile diversion consequences may be
12 retained and expended by the supreme court to administer the programs
13 established by section 8-322, Arizona Revised Statutes, and to conduct
14 evaluations as needed. The remaining portion of the treatment services and
15 juvenile diversion consequences programs shall be deposited in the juvenile
16 probation services fund established by section 8-322, Arizona Revised
17 Statutes.

18 Receipt of state probation monies by the counties is contingent on the
19 county maintenance of fiscal year 2003-2004 expenditure levels for each
20 probation program. State probation monies are not intended to supplant
21 county dollars for probation programs.

22 All community punishment program receipts received by the
23 administrative office of the courts in excess of \$2,871,700 in fiscal year
24 2008-2009 are appropriated to the community punishment line item. Before the
25 expenditure of any community punishment receipts in excess of \$2,871,700 in
26 fiscal year 2008-2009, the administrative office of the courts shall submit
27 the intended use of the monies for review by the joint legislative budget
28 committee.

29 All juvenile crime reduction fund receipts received by the
30 administrative office of the courts in excess of \$5,221,800 in fiscal year
31 2008-2009 are appropriated to the juvenile crime reduction line item. Before
32 the expenditure of any juvenile crime reduction fund receipts in excess of
33 \$5,221,800 in fiscal year 2008-2009, the administrative office of the courts
34 shall submit the intended use of the monies for review by the joint
35 legislative budget committee.

36 All judicial collection enhancement fund receipts received by the
37 administrative office of the courts resulting from the probation surcharge in
38 excess of \$3,425,700 in fiscal year 2008-2009 are appropriated to the
39 superior court. Before the expenditure of judicial collection enhancement
40 fund receipts in excess of \$3,425,700 in fiscal year 2008-2009, the
41 administrative office of the courts shall submit the intended use of the
42 monies for review by the joint legislative budget committee.

43 By November 1, 2008, the administrative office of the courts shall
44 report to the joint legislative budget committee the fiscal year 2007-2008

1 actual, fiscal year 2008-2009 estimated and fiscal year 2009-2010 requested
2 amounts for the following:

3 1. On a county-by-county basis, the number of authorized and filled
4 case carrying probation positions and non-case carrying positions,
5 distinguishing between adult standard, adult intensive, juvenile standard and
6 juvenile intensive. The report shall indicate the level of state probation
7 funding, other state funding, county funding and probation surcharge funding
8 for those positions.

9 2. Total receipts and expenditures by county and fund source for the
10 adult standard, adult intensive, juvenile standard and juvenile intensive
11 line items, including the amount of personal services expended from each
12 revenue source of each account.

13 3. The amount of monies from the adult standard, adult intensive,
14 juvenile standard and juvenile intensive line items that the office does not
15 distribute as direct aid to counties. The report shall delineate how the
16 office expends these monies that are not distributed as direct aid to
17 counties.

18 Total appropriation - Arizona judiciary \$164,958,600

19 Fund sources:

20 State general fund \$126,520,400

21 Confidential intermediary and
22 fiduciary fund 488,900

23 Court appointed special advocate
24 fund 3,456,000

25 Criminal justice enhancement fund 10,120,400

26 Defensive driving school fund 5,419,300

27 Drug treatment and education fund 500,000

28 Judicial collection enhancement
29 fund 15,507,700

30 State aid to the courts fund 2,945,900

31 The administrative office of the courts shall submit the intended use
32 of any reimbursement monies received for review to the joint legislative
33 budget committee prior to their expenditure.

34 Sec. 11. DEPARTMENT OF JUVENILE CORRECTIONS

35 2008-09
36 FTE positions 1,163.7

37 Lump sum appropriation \$ 81,728,800

38 Fund sources:

39 State general fund \$ 74,057,900

40 State charitable, penal and
41 reformatory institutions
42 land fund 4,298,600

43 Criminal justice enhancement fund 689,800

44 State education fund for committed
45 youth 2,682,500

1 Performance measures:

2	Escapes from DJC secure care facilities	0
3	Per cent of juveniles passing the general	
4	equivalency diploma language test	56
5	Per cent of juveniles who show progress in	
6	their primary treatment problem area	75
7	Per cent of juveniles returned to custody	
8	within 12 months of release	36

9 The department shall provide a travel stipend to all southwest regional
10 juvenile correction complex staff whose residence is at least twenty miles
11 from work.

12 Twenty-five per cent of land earnings and interest from the state
13 charitable, penal and reformatory institutions land fund shall be distributed
14 to the department of juvenile corrections, in compliance with section 25 of
15 the enabling act and the Constitution of Arizona, to be used for the support
16 of state juvenile institutions and reformatories.

17 Before the expenditure of any state education fund for committed youth
18 receipts in excess of \$2,682,500, the department of juvenile corrections
19 shall report the intended use of the monies to the director of the joint
20 legislative budget committee.

21 Sec. 12. STATE MINE INSPECTOR

22 2008-09

23		
24	FTE positions	17.0
25	Operating lump sum appropriation	\$ 1,382,800
26	Abandoned mines safety fund deposit	<u>182,000</u>
27	Total appropriation - state mine inspector	\$ 1,564,800
28	Fund sources:	
29	State general fund	\$ 1,564,800
30	Performance measures:	
31	Per cent of mandated inspections completed	80
32	Number of inspections	632
33	Customer satisfaction rating for mines	
34	(Scale 1-8)	6.0

35 Sec. 13. ARIZONA NAVIGABLE STREAM ADJUDICATION COMMISSION

36 2008-09

37	FTE positions	2.0
38	Lump sum appropriation	\$ 180,000
39	Fund sources:	
40	State general fund	\$ 180,000

41 Sec. 14. DEPARTMENT OF PUBLIC SAFETY

42 2008-09

43	FTE positions	2,114.8
44	Operating lump sum appropriation	\$191,253,100
45	GIITEM	31,799,700

1	Motor vehicle fuel	3,935,500
2	Sworn officer salary adjustments	<u>1,274,100</u>
3	Total appropriation - department of public	
4	safety	\$228,262,400
5	Fund sources:	
6	State general fund	\$ 59,121,500
7	Highway user revenue fund	84,949,500
8	State highway fund	41,050,500
9	Arizona highway patrol fund	21,620,000
10	Criminal justice enhancement fund	3,290,300
11	Safety enforcement and transportation	
12	infrastructure fund	1,564,100
13	Crime laboratory assessment fund	5,844,600
14	Arizona deoxyribonucleic acid	
15	identification system fund	3,623,200
16	Automated fingerprint identification	
17	system fund	3,299,200
18	Motorcycle safety fund	205,000
19	Risk management fund	296,200
20	Parity compensation fund	3,398,300

21 Performance measures:

22	Per cent of scientific analysis cases over	
23	30 calendar days old	3.0
24	Per cent of system reliability of the Arizona	
25	automated fingerprint identification network	98
26	Clandestine labs dismantled	50

27 Of the \$31,799,700 appropriated to GIITEM, \$10,000,000 is to be used
 28 for the multijurisdictional task force known as the gang and immigration
 29 intelligence team enforcement mission (GIITEM). If the department of public
 30 safety uses any of the monies appropriated for GIITEM for an agreement or
 31 contract with a city, town, county or other entity to provide services for
 32 the GIITEM program, the city, town, county or other entity shall provide not
 33 less than 15 per cent of the cost of the services and the department of
 34 public safety shall provide not more than 85 per cent of the cost for each
 35 agreement or contract. The distribution of these monies are contingent on
 36 the department of public safety entering into a 287 memorandum of
 37 understanding with the United States department of homeland security. The
 38 \$10,000,000 is to be used for functions relating to immigration enforcement,
 39 including border security and border personnel. As state and local law
 40 enforcement officers trained pursuant to a 287 memorandum of understanding
 41 come into contact with gang or suspected gang members and there is reason to
 42 believe that the individual has entered or remained in the United States
 43 illegally, the use of these monies is contingent on law enforcement agencies
 44 verifying the immigration status of these individuals and taking appropriate
 45 action that will not jeopardize an ongoing investigation or damage an

1 informant relationship with a law enforcement agency. The \$10,000,000 is
2 exempt from the provisions of section 35-190, Arizona Revised Statutes,
3 relating to the lapsing of appropriations, except that all unexpended and
4 unencumbered monies shall revert on June 30, 2009. The department shall
5 submit an expenditure plan to the joint legislative budget committee for
6 review before expending any monies not identified in the department's previous
7 expenditure plans. Within thirty days after the last day of each calendar
8 quarter, the department shall provide a summary of quarterly and year-to-date
9 expenditures and progress to the joint legislative budget committee.

10 Of the \$31,799,700 appropriated to GIITEM, \$10,045,900 is to be used
11 for one hundred department of public safety GIITEM personnel located anywhere
12 in this state. The additional staff shall include at least fifty sworn
13 department of public safety positions to be used for immigration enforcement
14 and border security and up to fifty department of public safety positions to
15 expand GIITEM's public awareness, investigation and intelligence efforts.
16 The additional positions would assist GIITEM in various efforts, including
17 arresting illegal aliens, responding to and investigating complaints of
18 employers hiring illegal aliens, investigating crimes of identity theft in
19 the context of hiring illegal aliens and the unlawful entry into the country
20 and taking enforcement action, as permitted under federal law and article VI
21 of the U.S. Constitution. As state and local law enforcement officers
22 trained pursuant to a 287 memorandum of understanding come into contact with
23 gang or suspected gang members and there is reason to believe that the
24 individual has entered or remained in the United States illegally, the use of
25 these monies is contingent on law enforcement agencies verifying the
26 immigration status of these individuals and taking appropriate action that
27 will not jeopardize an ongoing investigation or damage an informant
28 relationship with a law enforcement agency. The department shall submit an
29 expenditure plan to the joint legislative budget committee for review before
30 expending any monies not identified in the department's previous expenditure
31 plans. Within thirty days after the last day of each calendar quarter, the
32 department shall provide a summary of quarterly and year-to-date expenditures
33 and progress to the joint legislative budget committee.

34 It is the intent of the legislature that in fiscal year 2009-2010 the
35 remaining \$1,274,100 will be appropriated for sworn officer pay to complete
36 the five-year officer pay plan.

37 The operating lump sum appropriation includes a lump sum reduction of
38 \$(1,200,000). This reduction shall not be taken against any monies
39 appropriated to GIITEM or sworn officers.

40 Any monies remaining in the department of public safety joint account
41 on June 30, 2009 shall revert to the funds from which they were appropriated.
42 The reverted monies shall be returned in direct proportion to the amounts
43 appropriated.

1	Sec. 15. SCHOOL FACILITIES BOARD	
2		<u>2008-09</u>
3	FTE positions	20.0
4	Operating lump sum appropriation	\$ 1,944,400
5	New school facilities debt service	79,268,400
6	Building renewal grant	<u>20,000,000</u>
7	Total appropriation - school facilities	
8	board	\$101,212,800
9	Fund sources:	
10	State general fund	\$101,212,800
11	Performance measures:	
12	Per cent of school districts inspected	
13	meeting minimum adequacy standards	100
14	Per cent of school districts rating the	
15	board's services as "good" or "excellent"	
16	in an annual survey	95
17	Sec. 16. DEPARTMENT OF TRANSPORTATION	
18		<u>2008-09</u>
19	<u>Administration</u>	
20	FTE positions	412.0
21	Operating lump sum appropriation	\$ 42,409,600
22	Attorney general legal services	<u>3,052,600</u>
23	Total appropriation - administration	\$ 45,462,200
24	Fund sources:	
25	State highway fund	\$ 45,462,200
26	<u>Highways</u>	
27	FTE positions	2,548.0
28	Operating lump sum appropriation	\$137,939,600
29	Highway maintenance	132,027,000
30	Vehicles and heavy equipment	38,147,800
31	Vehicles and heavy equipment	
32	fuel surcharge	<u>2,000,000</u>
33	Total - highways	\$310,114,400
34	Fund sources:	
35	State general fund	\$ 84,600
36	Safety enforcement and	
37	transportation	
38	infrastructure fund	558,700
39	State highway fund	270,323,300
40	Transportation department	
41	equipment fund	39,147,800
42	Performance measures:	
43	Per cent of Maricopa regional freeway	
44	miles completed for the original	
45	twenty-year half cent sales tax	

1	ending December 31, 2005	100
2	Per cent of Maricopa regional freeway	
3	travel lane miles completed for	
4	the twenty-year half cent sales tax	
5	extension effective January 1, 2006	10.5
6	Per cent of overall highway construction	
7	projects completed on schedule	97

8 Of the total amount appropriated for the highways program, \$132,027,000
 9 in fiscal year 2008-2009 for highway maintenance is exempt from the
 10 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
 11 of appropriations, except that all unexpended and unencumbered monies of the
 12 appropriation revert to their fund of origin, either the state highway fund
 13 or the safety enforcement and transportation infrastructure fund, on August
 14 31, 2009.

15 Of the total amount appropriated for the highways program, \$2,663,000
 16 in fiscal year 2008-2009 is for performance pay for participants in the
 17 department's engineer pay plan. The department shall establish performance
 18 measures with measurable quality and quantity objectives for participants in
 19 the engineer pay plan that are designed to result in increased productivity
 20 and improved quality of the delivery of state services or products. The
 21 department shall either apply these performance measures to the entire
 22 engineer pay plan or apply relevant performance measures to subsets within
 23 the engineering pay plan either on a group or individual basis. Every
 24 quarter or month, the department shall review the participants' performance
 25 to determine if the performance measures were met. If the performance
 26 measures are met or exceeded, the applicable participants are entitled to
 27 receive the performance pay for the corresponding quarter.

28	<u>Motor vehicle</u>	
29	FTE positions	1,755.0
30	Operating lump sum appropriation	\$108,003,600
31	Abandoned vehicle administration	1,039,800
32	Fraud investigation	788,300
33	New third party funding	<u>960,300</u>
34	Total appropriation - motor vehicle	\$110,792,000
35	Fund sources:	
36	Air quality fund	\$ 71,700
37	Driving under the influence	
38	abatement fund	143,300
39	Highway user revenue fund	617,000
40	Motor vehicle liability insurance	
41	enforcement fund	2,456,900
42	Safety enforcement and	
43	transportation infrastructure	
44	fund	1,613,700
45	State highway fund	104,169,700

1	Vehicle inspection and title	
2	enforcement fund	1,719,700
3	Performance measures:	
4	Average office wait time from arriving at	
5	MVD office to receiving numbered ticket	
6	(minutes)	2.0
7	Average office wait time from receiving	
8	numbered ticket to arriving at counter	
9	(minutes)	15.0
10	Per cent of office customers rating	
11	services "good" or "excellent"	83
12	Average telephone wait time to speak	
13	to an MVD employee (minutes)	15.2
14	Per cent of alternative vehicle	
15	registration renewal methods	
16	(mail, internet, third party)	80

17 The department shall not transfer any funds to or from the motor
18 vehicle division without the review by the joint legislative budget
19 committee.

20 The department of transportation shall submit quarterly progress
21 reports to the joint legislative budget committee on their progress in
22 improving motor vehicle division wait times and vehicle registration renewal
23 by mail turnaround times. The reports shall document the monthly averages
24 for the total time customers spent at the office and the reasons for changes
25 in these times for each motor vehicle division field office equipped with
26 electronic customer monitoring devices. The reports shall document the wait
27 time to get a numbered ticket from a motor vehicle division employee, the
28 time between receiving the numbered ticket and arriving at the counter and
29 the transaction time at the counter. The reports shall document the number
30 of customers who arrived at motor vehicle division offices but who did not
31 complete their transaction, and the motor vehicle division's average
32 turnaround time for vehicle registration renewal by mail. The reports shall
33 include details by office for all offices in the metropolitan areas which are
34 defined to include all of Maricopa county, Apache Junction, Tucson and
35 Flagstaff, and summarized for the nonmetropolitan areas. In addition to
36 documenting wait times, the reports shall document the number of primary
37 transactions (driver licenses, titles and vehicle registrations) and
38 secondary transactions (all others), the number of counter positions assigned
39 and filled and the productivity levels (the average number of primary
40 transactions completed by staff and the average number of secondary
41 transactions completed by staff). The reports shall document the number of
42 primary and secondary transactions completed by third parties by metropolitan
43 and nonmetropolitan area offices. The reports are due within thirty days
44 after the end of each calendar quarter.

1	<u>Aeronautics</u>	
2	FTE positions	33.0
3	Lump sum appropriation	\$ 2,353,900
4	Fund sources:	
5	State aviation fund	\$ 2,353,900
6	Performance measures:	
7	Per cent of airport development projects	
8	completed on schedule	95
9	Total appropriation - department	
10	of transportation	\$468,722,500
11	Fund sources:	
12	State general fund	\$ 84,600
13	Air quality fund	71,700
14	Driving under the influence	
15	abatement fund	143,300
16	Highway user revenue fund	617,000
17	Motor vehicle liability	
18	insurance enforcement fund	2,456,900
19	Safety enforcement and	
20	transportation infrastructure	
21	fund	2,172,400
22	State aviation fund	2,353,900
23	State highway fund	419,955,200
24	Transportation department	
25	equipment fund	39,147,800
26	Vehicle inspection and title	
27	enforcement fund	1,719,700
28	Of the \$468,722,500 appropriation to the department of transportation,	
29	the department of transportation shall pay \$16,773,800 in fiscal year	
30	2008-2009 from all funds to the department of administration for its risk	
31	management payment.	
32	Sec. 17. STATE TREASURER	
33		<u>2008-09</u>
34	FTE positions	34.4
35	Operating lump sum appropriation	\$ 2,842,700
36	Justice of the peace salaries	<u>2,230,100</u>
37	Total appropriation - state treasurer	\$ 5,072,800
38	Fund sources:	
39	State general fund	\$ 5,071,500
40	State treasurer's management fund	1,300
41	Performance measures:	
42	Ratio of yield of LGIP to Standard	
43	and Poor's LGIP index	1.2
44	Ratio of yield of endowment pools to	
45	Big Bond Index	1.1

1 Customer satisfaction rating for local
 2 government investment pool participants
 3 (Scale 1-8) 7.4
 4 Before changing the six basis point investment management fee, the
 5 treasurer shall submit the proposed change and its fiscal impact for review
 6 by the joint legislative budget committee.

7 Sec. 18. UNIVERSITIES

8 ARIZONA BOARD OF REGENTS

9		<u>2008-09</u>
10	FTE positions	27.9
11	Operating lump sum appropriation	\$ 2,404,100
12	Arizona teachers incentive program	90,000
13	Arizona transfer articulation	
14	support system	213,700
15	Student financial assistance	10,041,200
16	Math and science teacher initiative	2,250,000
17	Western interstate commission	
18	office	116,000
19	WICHE student subsidies	<u>4,115,000</u>
20	Total appropriation - Arizona board of	
21	regents	\$ 19,230,000
22	Fund sources:	
23	State general fund	\$ 19,230,000
24	Performance measures:	
25	Per cent of graduating seniors who rate	
26	their overall university experience	
27	as "good"/"excellent"	96
28	Per cent of full-time undergraduate students	
29	enrolled per semester in three or more	
30	primary courses with ranked faculty	77
31	Per cent of full-time undergraduate students	
32	enrolled per semester in three or more	
33	primary courses with professors of any rank	44
34	Average number of years taken to graduate	
35	for students who began as freshmen	4.5

36 The \$2,250,000 appropriation from the state general fund for the math
 37 and science teacher initiative shall be deposited into the mathematics,
 38 science and special education teacher student loan fund if established by
 39 section 15-1784, Arizona Revised Statutes. Of this amount, the Arizona board
 40 of regents shall use \$1,750,000 for student loans to eligible prospective
 41 math and science teachers and \$500,000 for student loans to eligible
 42 prospective special education teachers. The Arizona board of regents may
 43 retain up to \$100,000 of the appropriation for the math and science teacher
 44 initiative for administrative costs directly incurred by the board.

Within ten days of the acceptance of the universities' semiannual all funds budget reports, the Arizona board of regents shall submit an expenditure plan for review by the joint legislative budget committee. The expenditure plan shall include any tuition revenue amounts that are greater than the appropriated amounts and all retained tuition and fee revenue expenditures for the current fiscal year. The additional revenue expenditure plan shall provide as much detail as the university budget requests.

ARIZONA STATE UNIVERSITY

2008-09Main campus

FTE positions	7,010.8
Operating lump sum appropriation	\$583,352,900
Biomedical informatics	3,051,800
Downtown Phoenix campus	<u>51,573,100</u>
Total - Main campus	\$637,977,800
Fund sources:	
State general fund	\$401,904,100
University collections fund	236,073,700
Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	71
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	35
Average number of years taken to graduate for students who began as freshmen	4.6
External dollars for research and creative activity	\$205,000,000

East campus

FTE positions	610.3
Operating lump sum appropriation	\$ 56,243,500
TRIF lease-purchase payment	<u>2,000,000</u>
Total - East campus	\$ 58,243,500
Fund sources:	
State general fund	\$ 31,092,300
University collections fund	25,151,200
Technology and research initiative fund	2,000,000

1	Performance measures:		
2	Per cent of graduating seniors who rate		
3	their overall university experience		
4	as "good"/"excellent"		97
5	Per cent of full-time undergraduate students		
6	enrolled per semester in three or more		
7	primary courses with ranked faculty		68
8	Per cent of full-time undergraduate students		
9	enrolled per semester in three or more		
10	primary courses with professors of any rank		27
11	Average number of years taken to graduate		
12	for students who began as freshmen		5.0
13	<u>West campus</u>		
14	FTE positions		847.9
15	Operating lump sum appropriation	\$	81,888,800
16	TRIF lease-purchase payment		<u>1,600,000</u>
17	Total - West campus	\$	83,488,800
18	Fund sources:		
19	State general fund	\$	56,796,300
20	University collections fund		25,092,500
21	Technology and research initiative		
22	fund		1,600,000
23	Performance measures:		
24	Per cent of graduating seniors who rate		
25	their overall university experience		
26	as "good"/"excellent"		98
27	Per cent of full-time undergraduate students		
28	enrolled per semester in three or more		
29	primary courses with ranked faculty		69
30	Per cent of full-time undergraduate students		
31	enrolled per semester in three or more		
32	primary courses with professors of any rank		35
33	Average number of years taken to graduate for		
34	students who began as freshmen		4.5
35	Total appropriation - Arizona state		
36	university		<u>\$779,710,100</u>
37	Fund sources:		
38	State general fund	\$	489,792,700
39	University collections fund		286,317,400
40	Technology and research initiative		
41	fund		3,600,000
42	The state general fund appropriations shall not be used for alumni		
43	association funding.		
44	The appropriated monies are not to be used for scholarships.		

The appropriated monies are not to be used to support any student newspaper.

The appropriated monies shall not be used by the Arizona state university college of law legal clinic for any lawsuits involving inmates of the state department of corrections in which the state is the adverse party.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

NORTHERN ARIZONA UNIVERSITY

	<u>2008-09</u>
FTE positions	2,238.9
Operating lump sum appropriation	\$210,718,700
NAU - Yuma	2,489,500
Teacher training	2,000,000

The appropriated amount for the teacher training line item is to be distributed to the Arizona K-12 center for program implementation and mentor training for the Arizona mentor teacher program prescribed by the state board of education.

Total appropriation - Northern Arizona	
university	\$215,208,200
Fund sources:	
State general fund	\$163,468,600
University collections fund	51,739,600

Performance measures:	
Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	98
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	93
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	65
Average number of years taken to graduate for students who began as freshmen	4.5

The state general fund appropriations shall not be used for alumni association funding.

The appropriated monies are not to be used for scholarships.

The appropriated monies are not to be used to support any student newspaper.

Any unencumbered balances remaining in the collections account on June 30, 2008 and all collections received by the university during the fiscal year, when paid into the state treasury, are appropriated for operating expenditures, capital outlay and fixed charges. Earnings on state lands and interest on the investment of the permanent land funds are appropriated in compliance with the enabling act and the Constitution of Arizona. No part of this appropriation may be expended for supplemental life insurance or supplemental retirement. Receipts from summer session, when deposited in the state treasury, together with any unencumbered balance in the summer session account, are appropriated for the purpose of conducting summer sessions but are excluded from the amounts enumerated above.

UNIVERSITY OF ARIZONA

2008-09

Main campus

FTE positions	5,679.5
Operating lump sum appropriation	\$412,684,200
Agriculture	40,427,500
Arizona cooperative extension	14,511,900
Sierra Vista campus	<u>5,625,300</u>
Total - Main campus	\$473,248,900

Fund sources:

State general fund	\$344,004,000
University collections fund	129,244,900

Performance measures:

Per cent of graduating seniors who rate their overall university experience as "good"/"excellent"	96
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with ranked faculty	80
Per cent of full-time undergraduate students enrolled per semester in three or more primary courses with professors of any rank	50
Average number of years taken to graduate for students who began as freshmen	4.6

Health sciences center

FTE positions	966.1
Operating lump sum appropriation	\$ 68,939,500
Clinical rural rotation	515,200
Clinical teaching support	9,969,700

1	Liver research institute	544,800
2	Phoenix medical campus	12,701,700
3	Telemedicine network	<u>2,237,900</u>
4	Total - health sciences center	\$ 94,908,800
5	Fund sources:	
6	State general fund	\$ 80,845,800
7	University collections fund	14,063,000
8	Performance measures:	
9	Per cent of graduating seniors who rate	
10	their overall university experience	
11	as "good"/"excellent"	97
12	Total appropriation - university of	
13	Arizona	<u>\$568,157,700</u>
14	Fund sources:	
15	State general fund	\$424,849,800
16	University collections fund	143,307,900

17 The state general fund appropriations shall not be used for alumni
18 association funding.
19 The appropriated monies are not to be used for scholarships.
20 The appropriated monies are not to be used to support any student
21 newspaper.
22 Any unencumbered balances remaining in the collections account on June
23 30, 2008 and all collections received by the university during the fiscal
24 year, when paid into the state treasury, are appropriated for operating
25 expenditures, capital outlay and fixed charges. Earnings on state lands and
26 interest on the investment of the permanent land funds are appropriated in
27 compliance with the enabling act and the Constitution of Arizona. No part of
28 this appropriation may be expended for supplemental life insurance or
29 supplemental retirement. Receipts from summer session, when deposited in the
30 state treasury, together with any unencumbered balance in the summer session
31 account, are appropriated for the purpose of conducting summer sessions but
32 are excluded from the amounts enumerated above.
33 University budget requests shall provide as much detail for the Phoenix
34 medical campus as for any other budget program. Notwithstanding section
35 35-173, subsection C, Arizona Revised Statutes, any proposed transfer to or
36 from the amounts appropriated for the Phoenix medical campus line item shall
37 require prior review by the joint legislative budget committee.
38 On August 15, 2008 and February 15, 2009, the university of Arizona and
39 the Arizona board of regents shall report to the joint legislative budget
40 committee updates concerning the formal relationship between the Phoenix
41 medical campus and area hospitals, partnerships with private medical schools,
42 the availability of clinical rotations for medical students in this state,
43 the creation of new residency positions in this state, the expansion of
44 medical services in this state's rural areas, the attraction of out-of-state
45 medical students to practice in this state and any other strategies being

1 considered or employed to prevent a doctor shortage in this state or the
 2 rural areas of this state.

3 Lump sum reduction \$ (50,000,000)

4 Fund sources:

5 State general fund \$ (50,000,000)

6 On August 15, 2008, the Arizona board of regents shall report to the
 7 joint legislative budget committee the final allocation of the \$50,000,000
 8 general fund reduction among university campuses.

9 Total appropriation - universities \$1,532,306,000

10 Fund sources:

11 State general fund \$1,047,341,100

12 University collections fund 481,364,900

13 Technology and research

14 initiative fund 3,600,000

15 Sec. 19. Appropriation reductions; fiscal year 2008-2009

16 Notwithstanding any other law, the following amounts are reduced from
 17 the state general fund in fiscal year 2008-2009 as listed below from
 18 appropriations made to state agencies:

19 1. Office of administrative hearings - \$4,500.

20 2. Arizona department of agriculture - \$1,100,000.

21 3. Commission on the arts - \$200,000.

22 4. Attorney general - \$750,000.

23 5. State board for charter schools - \$262,400 and 3 FTE positions.

24 6. Department of commerce - \$3,725,900 and 10 FTE positions.

25 7. Corporation commission - \$1,092,000.

26 8. Arizona criminal justice commission - \$2,930,000.

27 9. Department of emergency and military affairs - \$200,000.

28 10. Department of environmental quality - \$8,600,000.

29 11. Governor's office of equal opportunity - \$13,000.

30 12. State board of equalization - \$14,000.

31 13. Board of executive clemency - \$60,000.

32 14. Department of fire, building and life safety - \$300,000.

33 15. Arizona geological survey - \$60,000. The geological survey
 34 reduction may not be taken against the appropriation made for earth fissure
 35 maps.

36 16. Government information technology agency - \$600,000. No more than
 37 \$100,000 of the government information technology agency agencywide lump sum
 38 reduction may be taken against the appropriation for the e-health initiative.

39 17. Office of the governor - \$367,900.

40 18. Governor's office of strategic planning and budgeting - \$115,700.

41 19. Arizona historical society - \$80,000.

42 20. Prescott historical society - \$15,000.

43 21. Arizona commission of Indian affairs - \$5,000.

44 22. Department of insurance - \$435,500.

45 23. State land department - \$3,155,500.

- 1 24. Law enforcement merit system council - \$2,000.
- 2 25. Auditor general - \$939,600.
- 3 26. House of representatives - \$618,100.
- 4 27. Joint legislative budget committee - \$152,100.
- 5 28. Legislative council - \$285,900.
- 6 29. Arizona state library, archives & public records - \$389,400.
- 7 30. Senate - \$426,600.
- 8 31. Department of liquor licenses and control - \$212,000.
- 9 32. Board of medical student loans - \$379,000.
- 10 33. Department of mines and mineral resources - \$40,000.
- 11 34. Arizona state parks board - \$250,000.
- 12 35. Arizona pioneers' home - \$1,236,000.
- 13 36. Commission for postsecondary education - \$3,050,000.
- 14 37. Arizona department of racing - \$217,600.
- 15 38. Radiation regulatory agency - \$522,900.
- 16 39. State real estate department - \$461,000.
- 17 40. Department of revenue - \$400,000.
- 18 41. Secretary of state - \$138,000.
- 19 42. State board of tax appeals - \$6,300.
- 20 43. Office of tourism - \$1,600,000.
- 21 44. Department of water resources - \$6,900,000.
- 22 45. Department of weights and measures - \$100,000.

23 Sec. 20. Fund reduction; game and fish
24 Notwithstanding any other law, \$2,000,000 is reduced from the
25 watercraft licensing fund in fiscal year 2008-2009.

26 Sec. 21. Appropriation reduction; department of public safety
27 parking garage

28 Notwithstanding Laws 2007, chapter 261, section 16, the department of
29 public safety appropriation from the DNA identification system fund is
30 reduced by \$2,000,000 in fiscal year 2008-2009 to delay the construction of a
31 new parking garage.

32 Sec. 22. Appropriation reduction; biomedical research
33 commission

34 Notwithstanding Laws 2007, chapter 263, section 42, the Arizona
35 biomedical research commission appropriation from the state general fund is
36 reduced by \$1,000,000 in fiscal year 2008-2009 to delay the public
37 regenerative tissue repository.

38 Sec. 23. Appropriation reduction; military installation fund

39 Notwithstanding Laws 2004, chapter 235, the appropriation to the
40 department of commerce for the military installation fund is reduced by
41 \$4,800,000 from the state general fund in fiscal year 2008-2009.

- 1 Sec. 24. Transfer of fund monies to the state general fund;
2 fiscal year 2008-2009
- 3 A. On or before June 30, 2009, the following amounts from the funds or
4 .sources indicated are transferred to the state general fund for the purposes
5 of providing adequate support and maintenance for agencies of this state:
- 6 1. State board of accountancy:
7 Board of accountancy fund - \$1,016,700.
- 8 2. Acupuncture board of examiners:
9 Acupuncture board of examiners fund - \$88,300.
- 10 3. Department of administration:
11 Certificate of participation fund - \$750,000.
12 Construction insurance fund - \$11,628,800.
13 Motor vehicle pool revolving fund - \$4,793,500.
14 Retiree accumulated sick leave fund - \$7,597,300.
15 Emergency telecommunication services revolving fund - \$25,085,500.
16 Capital outlay stabilization fund - \$1,500,000.
17 Risk management revolving fund - \$16,337,000.
18 Special employee health insurance trust fund - \$453,800.
- 19 4. Arizona department of agriculture:
20 Agricultural consulting and training fund - \$250,000.
21 Pesticide fund - \$25,000.
22 Seed law fund - \$15,000.
- 23 5. State board of appraisal:
24 Board of appraisal fund - \$590,000.
- 25 6. Attorney general - department of law:
26 Anti-racketeering revolving fund - \$302,100.
27 Prosecuting attorney council fund - \$95,000.
- 28 7. Board of barbers:
29 Board of barbers fund - \$406,000.
- 30 8. State board of chiropractic examiners:
31 Board of chiropractic examiners fund - \$66,800.
- 32 9. Department of commerce:
33 Commerce and economic development commission fund - \$1,100,000.
34 Greater Arizona development authority revolving fund - \$2,000,000.
35 Job training fund - \$10,300,000.
36 Military installation fund - \$3,000,000.
- 37 10. Registrar of contractors:
38 Registrar of contractors fund - \$2,000,000.
39 Residential contractors' recovery fund - \$6,600,000.
- 40 11. Corporation commission:
41 Utility regulation revolving fund - \$2,632,600.
42 Securities regulatory and enforcement fund - \$1,200,000.
43 Investment management regulatory and enforcement fund - \$500,000.
44 Public access fund - \$339,300.

- 1 12. State department of corrections:
 - 2 Transition office fund - \$339,600.
 - 3 Transition program drug treatment fund - \$100,000.
 - 4 Alcohol abuse treatment fund - \$1,300,000.
- 5 13. Board of cosmetology:
 - 6 Board of cosmetology fund - \$1,803,800.
- 7 14. Arizona criminal justice commission:
 - 8 Criminal justice enhancement fund - \$100,000.
 - 9 State aid to county attorneys fund - \$1,550,000.
 - 10 State aid to indigent defense fund - \$1,550,000.
- 11 15. Commission for the deaf and the hard of hearing:
 - 12 Telecommunication fund for the deaf - \$1,044,600.
- 13 16. State board of dental examiners:
 - 14 Dental board fund - \$1,489,000.
- 15 17. Department of economic security:
 - 16 Spinal and head injuries trust fund - \$395,200.
 - 17 Special administration fund - \$2,900,000.
 - 18 Public assistance collections fund - \$186,900.
 - 19 Utility assistance fund - \$550,000.
- 20 18. Department of education:
 - 21 Special education fund - \$4,234,000.
 - 22 Internal services fund - \$500,000.
 - 23 Assistance for education - \$100,000.
 - 24 Golden rule special plate fund - \$274,600.
- 25 19. Department of emergency military affairs:
 - 26 State armory property fund - \$44,600.
- 27 20. Department of environmental quality:
 - 28 Air quality fund - \$1,100,000.
 - 29 Indirect cost recovery fund - \$2,000,000.
 - 30 Recycling fund - \$3,000,000.
 - 31 Water quality assurance revolving fund - \$4,000,000.
 - 32 Underground storage tank revolving fund - \$12,000,000.
 - 33 Emissions inspection fund - \$2,500,000.
 - 34 Solid waste fee fund - \$400,000.
 - 35 Voluntary vehicle repair and retrofit program fund - \$750,000.
 - 36 Water quality fee fund - \$850,000.
 - 37 Clean water revolving fund - \$10,700,000.
 - 38 Drinking water fund - \$5,000,000.
- 39 21. Department of financial institutions:
 - 40 Arizona escrow guaranty fund - \$450,000.
 - 41 Receivership revolving fund - \$500,000.
- 42 22. State board of funeral directors and embalmers:
 - 43 Board of funeral directors and embalmers fund - \$491,700.
- 44 23. Arizona game and fish department:
 - 45 Watercraft licensing fund - \$2,000,000.

- 1 Off-highway vehicle fund - \$200,000.
- 2 Game and fish publications revolving fund - \$100,000.
- 3 24. Government information technology agency:
- 4 State web portal fund - \$100,000.
- 5 25. Department of health services:
- 6 Intergovernmental agreements fund - \$1,000,000.
- 7 Emergency medical services operating fund - \$1,000,000.
- 8 Indirect cost fund - \$4,000,000.
- 9 Substance abuse services fund - \$750,000.
- 10 Internal services fund - \$50,000.
- 11 Vital records electronic systems fund - \$100,000.
- 12 Hearing and speech professionals fund - \$25,000.
- 13 Poison control fund - \$4,600.
- 14 Arizona medical board fund - \$25,800.
- 15 Prescription drug advisory council - \$10,000.
- 16 26. Arizona department of housing:
- 17 Housing program fund - \$583,700.
- 18 Housing trust fund - \$8,237,400.
- 19 27. Industrial commission of Arizona:
- 20 Industrial commission administrative fund - \$10,000,000.
- 21 28. Department of insurance:
- 22 Insurance examiners' revolving fund - \$750,000.
- 23 29. Judiciary:
- 24 Juvenile delinquent reduction fund - \$5,500,000.
- 25 Drug treatment and education fund - \$500,800.
- 26 Arizona lengthy trial fund - \$750,000.
- 27 30. Juvenile corrections:
- 28 Criminal justice enhancement fund - \$150,000.
- 29 31. Department of liquor license and control:
- 30 Liquor license special collections fund - \$670,000.
- 31 32. Arizona state lottery commission:
- 32 State lottery fund - \$4,543,600.
- 33 33. Naturopathic physicians board of medical examiners:
- 34 Naturopathic physicians board of medical examiners fund - \$618,000.
- 35 34. State board of nursing:
- 36 Board of nursing fund - \$1,004,900.
- 37 35. Board of occupational therapy examiners:
- 38 Occupational therapy fund - \$239,500.
- 39 36. State board of optometry:
- 40 Board of optometry fund - \$185,600.
- 41 37. Arizona board of osteopathic examiners:
- 42 Board of osteopathic examiners fund - \$541,100.
- 43 38. Arizona state parks board:
- 44 Off-highway vehicle recreation fund - \$1,086,000.
- 45 State lake improvement fund - \$6,353,500.

- 1 39. Arizona state board of pharmacy:
2 Board of pharmacy fund - \$549,700.
 - 3 40. State board for private postsecondary education:
4 Board for private postsecondary education fund - \$142,400.
 - 5 41. State board of psychologist examiners:
6 Board of psychologist examiners fund - \$563,000.
 - 7 42. Department of public safety:
8 Automated fingerprint identification system fund - \$500,000.
9 Arizona deoxyribonucleic acid (DNA) identification system fund -
10 \$2,500,000.
11 Arizona highway patrol fund - \$2,000,000.
12 Records processing fund - \$301,600.
 - 13 43. Arizona department of racing:
14 Arizona breeders award fund - \$113,500.
15 County fairs racing betterment fund - \$200,000.
 - 16 44. State real estate department:
17 Condominium recovery fund - \$5,000.
18 Recovery fund - \$202,500.
 - 19 45. Department of revenue:
20 Liability setoff fund - \$850,000.
 - 21 46. Structural pest control commission:
22 Structural pest control commission fund - \$554,900.
 - 23 47. State board of technical registration:
24 Technical registration fund - \$978,700.
 - 25 48. Office of tourism:
26 Tourism fund - \$4,500,000.
 - 27 49. Department of transportation:
28 Economic strength project fund - \$1,000,000.
29 Motor vehicle liability insurance enforcement fund - \$4,000,000.
30 State aviation fund - \$18,300,000.
31 Transportation department equipment fund - \$3,100,000.
32 Vehicle inspection and title enforcement fund - \$1,750,000.
 - 33 50. Veterinary medical examining board fund - \$609,500.
 - 34 51. Department of water resources:
35 Arizona water banking fund - \$5,500,000.
 - 36 52. Budget stabilization fund - \$20,000,000.
- 37 B. Agencies listed shall reduce expenditures from the listed funds
38 accordingly in order to ensure a sufficient fund balance for these fund
39 transfers.
- 40 C. The fund transfers in this section shall be made as soon as is
41 practicable to avoid a shortfall in each fund. On or before September 1,
42 2008, the governor's office of strategic planning and budgeting shall report
43 to the joint legislative budget committee on any fund transfers that have not
44 been fully made as of August 15, 2008. For each fund transfer not fully made
45 as of September 1, 2008, the report shall list when the fund transfer will be

1 completed or additional steps required, in addition to those authorized under
2 subsection D, to make the full fund transfer.

3 D. Notwithstanding any other law, to provide for effective continuity
4 of state operations a budget unit may request a temporary cash transfer from
5 one of its own funds to another of its own funds from the state comptroller
6 to accommodate a temporary cash flow issue. The state comptroller shall
7 coordinate all activity with the governor's office of strategic planning and
8 budgeting and shall notify the joint legislative budget committee staff of
9 any cash transfers pursuant to this section. This notice shall include a
10 monthly cash flow of all funds involved and shall include a plan for
11 returning the monies to their original fund. All monies temporarily used
12 shall be returned to the original fund no later than June 30, 2009. The
13 state comptroller shall file a final report on all activity under this
14 provision with the joint legislative budget committee staff and the
15 governor's office of strategic planning and budgeting no later than
16 August 1, 2009.

17 Sec. 25. Vehicle license tax; transfer

18 Notwithstanding section 28-6538, Arizona Revised Statutes, or any other
19 law, the first \$8,390,600 received in fiscal year 2008-2009 pursuant to title
20 28, chapter 16, article 3, Arizona Revised Statutes, relating to vehicle
21 license tax, for distribution to the state highway fund pursuant to section
22 28-6538, subsection A, paragraph 1, Arizona Revised Statutes, shall be
23 deposited in the state general fund.

24 Sec. 26. Arizona state lottery commission; advertising cap
25 suspension

26 Notwithstanding Laws 2007, chapter 255, section 59, the Arizona state
27 lottery commission 2.7 per cent rate and \$11,000,000 advertising caps are
28 suspended for fiscal year 2008-2009.

29 Sec. 27. Supplemental appropriation; corporation commission

30 A. The sum of \$391,400 and 9 FTE positions are appropriated from the
31 public access fund in fiscal year 2008-2009 to the corporation commission for
32 supplemental funding as follows:

- 33 1. \$338,300 to replace the state of Arizona public access system.
- 34 2. \$53,100 and 1 FTE position to address slow processing times for the
35 annual reports division.
- 36 3. 8 FTE positions for the corporations filings same day service line
37 item.

38 B. The sum of \$546,000 is appropriated from the utility regulating
39 revolving fund in fiscal year 2008-2009 to the corporation commission for
40 operating expenses.

41 Sec. 28. Supplemental appropriation; state board of nursing

42 The sum of \$561,300 is appropriated to the state board of nursing from
43 the board of nursing fund in fiscal year 2008-2009 to investigate certified
44 nursing assistants.

1 Sec. 29. Supplemental appropriation; Arizona state retirement
2 system

3 The sum of \$267,700 is appropriated from the state retirement system
4 administration account in fiscal year 2008-2009 to the Arizona state
5 retirement system for increases in employee related expenditures.

6 Sec. 30. Supplemental appropriation; government information
7 technology agency

8 The sum of \$2,055,800 is appropriated from the state general fund in
9 fiscal year 2008-2009 to the government information technology agency for
10 supplemental funding as follows:

11 1. \$1,175,200 to transfer the 2-1-1 program from the Arizona health
12 care cost containment system.

13 2. \$880,600 to transfer the public safety communications program from
14 the department of public safety.

15 Sec. 31. Supplemental appropriation; government information
16 technology agency

17 The sum of \$870,300 is appropriated from the information technology
18 fund in fiscal year 2008-2009 to the government information technology agency
19 for the statewide information security and privacy office special line.

20 Sec. 32. Supplemental appropriation; state capital
21 postconviction public defender office

22 The sum of \$135,000 is appropriated from the state general fund in
23 fiscal year 2008-2009 to the state capital postconviction public defender
24 office for caseload growth.

25 Sec. 33. Supplemental appropriation; commission for
26 postsecondary education

27 The sum of \$900,000 is appropriated from the postsecondary education
28 fund in fiscal year 2008-2009 to the commission for postsecondary education
29 for increases in the leveraging educational assistance partnership line
30 item.

31 Sec. 34. Supplemental appropriation; department of weights and
32 measures

33 The sum of \$199,200 is appropriated from the motor vehicle liability
34 insurance enforcement fund in fiscal year 2008-2009 to the department of
35 weights and measures for supplemental funding for increased enforcement of
36 taxi licensing and inspections.

37 Sec. 35. Supplemental appropriation; state land department

38 The sum of \$40,000 is appropriated to the state land department from
39 the environmental special plate fund in fiscal year 2008-2009 for the natural
40 resource conservation districts line item.

41 Sec. 36. Supplemental appropriation; state board of
42 psychologist examiners

43 The sum of \$13,500 is appropriated from the board of psychologist
44 examiners fund in fiscal year 2008-2009 to the state board of psychologist

1 examiners for supplemental funding for board member reimbursement and other
2 operating expenditures.

3 Sec. 37. Supplemental appropriation; board of homeopathic
4 medical examiners

5 The sum of \$22,400 is appropriated from the board of homeopathic
6 medical examiners' fund in fiscal year 2008-2009 to the board of homeopathic
7 medical examiners for supplemental funding to comply with auditor general
8 performance audit recommendations.

9 Sec. 38. Supplemental appropriation; department of commerce

10 The sum of \$750,000 and 4 FTE positions is appropriated to the
11 department of commerce from the commerce and economic development fund in
12 fiscal year 2008-2009 to provide supplemental funding to offset a state
13 general fund reduction.

14 Sec. 39. Supplemental appropriation; Arizona pioneers' home

15 The sum of \$1,236,000 is appropriated from the miners' hospital fund in
16 fiscal year 2008-2009 to the Arizona pioneers' home to provide supplemental
17 funding to offset a state general fund reduction.

18 Sec. 40. Supplemental appropriations; department of
19 environmental quality

20 A. The sum of \$2,000,000 is appropriated from the indirect cost
21 recovery fund in fiscal year 2008-2009 to the department of environmental
22 quality to provide supplemental funding to offset a state general fund
23 reduction.

24 B. The sum of \$5,000,000 is appropriated from the clean water
25 revolving fund in fiscal year 2008-2009 to the department of environmental
26 quality to provide supplemental funding to offset a state general fund
27 reduction.

28 Sec. 41. Supplemental appropriation; department of emergency
29 and military affairs

30 The sum of \$104,200 and 1 FTE position are appropriated from the state
31 general fund in fiscal year 2008-2009 to the department of emergency and
32 military affairs for supplemental funding for the transfer of 2-1-1 services
33 from GITA.

34 Sec. 42. Supplemental appropriation; attorney general

35 The sum of \$1,700,000 is appropriated from the consumer fraud revolving
36 fund in fiscal year 2008-2009 to the attorney general for expenditures
37 relating to the master settlement agreement litigation.

38 Sec. 43. Supplemental appropriation; department of water
39 resources

40 The sum of \$6,900,000 is appropriated from the water banking fund in
41 fiscal year 2008-2009 to the department of water resources to provide
42 supplemental funding to offset a state general fund reduction.

1	Sec. 44. <u>Appropriation; operating adjustments; annualization</u>	
2		<u>2008-09</u>
3	State employee health insurance	
4	adjustments	\$ 4,003,300
5	Fund sources:	
6	State general fund	\$ 2,291,500
7	Other appropriated funds	1,711,800
8	State employee retirement	
9	adjustments	\$ 1,836,500
10	Fund sources:	
11	State general fund	\$ 1,025,500
12	Other appropriated funds	811,000
13	State employee salary adjustments	\$ 12,365,200
14	Fund sources:	
15	State general fund	\$ 6,584,200
16	Other appropriated funds	5,781,000
17	State-owned space rent adjustments	\$ 2,009,900
18	Fund sources:	
19	State general fund	\$ 1,574,000
20	Other appropriated funds	435,900
21	State telecommunications adjustments	\$ 913,800
22	Fund sources:	
23	State general fund	\$ 913,800
24	State lease-purchase and	
25	privatized-lease-to-own adjustments	\$ 274,000
26	Fund sources:	
27	State general fund	\$ 274,000
28	Human resources pro rata adjustments	\$ 76,900
29	Fund sources:	
30	State general fund	\$ 38,400
31	Other appropriated funds	38,500
32	Risk management adjustments	\$ 292,000
33	Fund sources:	
34	State general fund	\$ 292,000
35	Assistant attorney general salary	
36	adjustments	2,906,200
37	Fund sources:	
38	State general fund	\$ 982,800
39	Other appropriated funds	1,923,400

40 The other appropriated funds may be allocated from the following funds:
 41 board of accountancy fund, acupuncture board of examiners fund, air permits
 42 administration fund, air quality fund, antitrust enforcement revolving fund,
 43 board of appraisal fund, Arizona arts trust fund, assured and adequate water
 44 supply administration fund, attorney general legal services cost allocation
 45 fund, Arizona automated fingerprint identification system fund, automobile

1 theft authority fund, automation operations fund, state aviation fund, board
2 of barbers fund, board of behavioral health examiners fund, Arizona benefits
3 fund, bond fund, capital outlay stabilization fund, state charitable fund,
4 child abuse prevention fund, child fatality review fund, child support
5 enforcement administration fund, children's health insurance program fund,
6 board of chiropractic examiners fund, citrus, fruit and vegetable revolving
7 fund, collection enforcement revolving fund, commerce and economic
8 development commission fund, commercial feed fund, confidential intermediary
9 and fiduciary fund, agricultural consulting and training fund, consumer
10 protection-consumer fraud revolving fund, corrections fund, board of
11 cosmetology fund, crime laboratory assessment fund, criminal justice
12 enhancement fund, county fair racing fund, court appointed special advocate
13 fund, defensive driving school fund, dental board fund, Arizona
14 deoxyribonucleic acid identification system fund, board of dispensing
15 opticians fund, driving under the influence abatement fund, drug and gang
16 prevention resource center fund, state education fund for committed youth,
17 state education fund for correctional education, state egg inspection fund,
18 election systems improvement fund, emergency medical services operating fund,
19 emissions inspection fund, environmental laboratory licensure revolving fund,
20 estate and unclaimed property fund, Arizona exposition and state fair fund,
21 federal child care and development fund block grant, federal Reed act grant,
22 federal surplus materials revolving fund, federal temporary assistance for
23 needy families block grant, fertilizer materials fund, board of funeral
24 directors' and embalmers' fund, fingerprint clearance card fund, game and
25 fish fund, game, nongame, fish and endangered species fund, hazardous waste
26 management fund, healthcare group fund, hearing and speech professionals
27 fund, state highway fund, Arizona highway patrol fund, highway user revenue
28 fund, board of homeopathic medical examiners' fund, housing trust fund, DHS
29 indirect cost fund, ADEQ indirect cost recovery fund, industrial commission
30 administrative fund, information technology fund, interagency service
31 agreements fund, intergovernmental agreements and grants, investment
32 management regulatory and enforcement fund, judicial collection enhancement
33 fund, land conservation fund administration account, lease-purchase building
34 operating and maintenance fund, liability set-off fund, long-term care system
35 fund, long-term disability administration account, state lottery fund,
36 Arizona medical board fund, the miners' hospital for disabled miners land
37 fund, motor vehicle liability insurance enforcement fund, motor vehicle pool
38 revolving fund, naturopathic physicians board of medical examiners fund,
39 newborn screening program fund, board of nursing fund, nursing care
40 institution administrators' licensing and assisted living facility managers'
41 certification fund, occupational therapy fund, oil overcharge fund, board of
42 optometry fund, board of osteopathic examiners fund, state parks enhancement
43 fund, penitentiary land fund, personnel division fund, pesticide fund,
44 Arizona state board of pharmacy fund, board of physical therapy fund,
45 podiatry fund, postsecondary education fund, prison construction and

1 operations fund, board for private postsecondary education fund, professional
 2 employer organization fund, Arizona protected native plant fund, board of
 3 psychologist examiners fund, public access fund, public assistance
 4 collections fund, racing administration fund, state radiologic technologist
 5 certification fund, records services fund, recycling fund, registrar of
 6 contractors fund, reservation surcharge revolving fund, residential utility
 7 consumer office revolving fund, board of respiratory care examiners fund,
 8 state retirement system administration account, risk management revolving
 9 fund, safety enforcement and transportation infrastructure fund, Arizona
 10 schools for the deaf and the blind fund, securities regulatory and
 11 enforcement fund, seed law fund, solid waste fee fund, special administration
 12 fund, special employee health insurance trust fund, special services
 13 revolving fund, spinal and head injuries trust fund, state aid to the courts
 14 fund, Arizona state hospital fund, state board of equalization fund, state
 15 surplus materials revolving fund, structural pest control commission fund,
 16 substance abuse services fund, teacher certification fund, technical
 17 registration fund, telecommunications fund, telecommunication fund for the
 18 deaf, telecommunications excise tax fund, tobacco tax and health care fund,
 19 transportation department equipment fund, tribal-state compact fund, used oil
 20 fund, utility regulation revolving fund, vehicle inspection and title
 21 enforcement fund, state veterans' conservatorship fund, state home for
 22 veterans' trust fund, veterinary medical examining board fund, victims'
 23 rights fund, vital records electronic systems fund, watercraft licensing
 24 fund, waterfowl conservation fund, water quality fee fund and workforce
 25 investment act grant.

26 State employee health insurance adjustments

27 The amount appropriated for state employee health insurance adjustments
 28 shall be for annualizing fiscal year 2007-2008 increases in the employer
 29 share of state employee health insurance premiums in agencies receiving
 30 fiscal year 2008-2009 appropriations in Laws 2007, chapter 255. The joint
 31 legislative budget committee staff shall determine and the department of
 32 administration shall allocate to each agency's or department's
 33 employee-related expenditures an amount for the employer share of the
 34 employee health insurance increases. The joint legislative budget committee
 35 staff shall also determine and the department of administration shall
 36 allocate adjustments, as necessary, in expenditure authority to allow
 37 implementation of state employee health insurance adjustments.

38 State employee retirement adjustments

39 The amount appropriated for state employee retirement contribution
 40 adjustments shall be for annualizing fiscal year 2007-2008 increases in the
 41 employer share of state employee retirement contributions in agencies
 42 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
 43 The joint legislative budget committee staff shall determine and the
 44 department of administration shall allocate to each agency's or department's
 45 employee-related expenditures an amount for the employer share of the

1 employee retirement contribution increase. The joint legislative budget
2 committee staff shall also determine and the department of administration
3 shall allocate adjustments, as necessary, in expenditure authority to allow
4 implementation of state employee retirement contribution adjustments.

5 Salary adjustments

6 The amount appropriated for salary adjustments includes personal
7 services and employee-related expenditures for state officers and employees
8 in accordance with this act.

9 For fiscal year 2008-2009, the joint legislative budget committee staff
10 shall determine and the department of administration shall allocate to each
11 agency or department an amount for annualizing fiscal year 2007-2008
12 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
13 Laws 2007, chapter 255. The joint legislative budget committee staff shall
14 also determine and the department of administration shall allocate
15 adjustments, as necessary, in expenditure authority to allow implementation
16 of salary adjustments.

17 State owned space rent adjustments

18 The amount appropriated for agency rent adjustments shall be used for
19 annualizing fiscal year 2007-2008 adjustments for state owned space increases
20 from \$15.50 per square foot to \$19.50 per square foot for office space, and
21 increases from \$6.00 per square foot to \$7.00 per square foot for storage
22 space in agencies receiving fiscal year 2008-2009 appropriations in Laws
23 2007, chapter 255.

24 For fiscal year 2008-2009, the joint legislative budget committee staff
25 shall determine and the department of administration shall allocate to each
26 agency or department an amount for annualizing fiscal year 2007-2008
27 adjustments in agencies receiving fiscal year 2008-2009 appropriations in
28 Laws 2007, chapter 255.

29 State telecommunications adjustments

30 The amount appropriated for state telecommunications adjustments shall
31 be to annualize fiscal year 2006-2007 increases and for fiscal year 2007-2008
32 adjustments in agency or department telecommunication charges in agencies
33 receiving fiscal year 2008-2009 appropriations in Laws 2007, chapter 255.
34 The joint legislative budget committee staff shall determine and the
35 department of administration shall allocate to each agency or department an
36 amount for the contribution increase. The joint legislative budget committee
37 staff shall also determine and the department of administration shall
38 allocate adjustments, as necessary, in expenditure authority to allow
39 implementation of state telecommunications adjustments.

40 State lease-purchase and privatized-lease-to-own adjustments

41 The amount appropriated for state lease-purchase and
42 privatized-lease-to-own adjustments shall be for annualizing fiscal year
43 2007-2008 adjustments in agency or department lease-purchase and
44 privatized-lease-to-own charges in agencies receiving fiscal year 2008-2009
45 appropriations in Laws 2007, chapter 255. The joint legislative budget

1 committee staff shall determine and the department of administration shall
2 allocate to each agency or department an amount for the contribution
3 increase. The joint legislative budget committee staff shall also determine
4 and the department of administration shall allocate adjustments, as
5 necessary, in expenditure authority to allow implementation of state
6 lease-purchase and privatized-lease-to-own adjustments.

7 Human resources pro rata adjustments

8 The amount appropriated for state human resources pro rata adjustments
9 shall be for annualizing increased fiscal year 2007-2008 rates in agency or
10 department human resources pro rata charges in agencies receiving fiscal year
11 2008-2009 appropriations in Laws 2007, chapter 255. The joint legislative
12 budget committee staff shall determine and the department of administration
13 shall allocate to each agency or department an amount for the contribution
14 increase. The joint legislative budget committee staff shall also determine
15 and the department of administration shall allocate adjustments, as
16 necessary, in expenditure authority to allow implementation of state human
17 resources pro rata adjustments.

18 Risk management adjustments

19 The amount appropriated for state risk management adjustments shall be
20 for annualizing new fiscal year 2007-2008 adjustments in agency or department
21 risk management charges in agencies receiving fiscal year 2008-2009
22 appropriations in Laws 2007, chapter 255. The joint legislative budget
23 committee staff shall determine and the department of administration shall
24 allocate to each agency or department an amount for the contribution
25 increase. The joint legislative budget committee staff shall also determine
26 and the department of administration shall allocate adjustments, as
27 necessary, in expenditure authority to allow implementation of state risk
28 management adjustments.

29 Assistant attorney general salary adjustments

30 For fiscal year 2008-2009, the joint legislative budget committee staff
31 shall determine and the department of administration shall allocate to the
32 office of the attorney general and its client agencies the amount necessary
33 to annualize a fiscal year 2007-2008 salary adjustment to assistant attorney
34 generals. The amount of the salary adjustment for each assistant attorney
35 general shall be determined by the attorney general and is in addition to the
36 statewide salary adjustment provided by this section.

37 Of the total \$982,800 general fund allocations, \$859,100 is for
38 distribution to the attorney general, \$83,900 is for distribution to agencies
39 that pay interagency service agreements with general fund appropriations, and
40 \$39,800 is for distribution to agencies that pay the attorney general pro
41 rata charge with general fund appropriations. Of the total \$1,923,400 other
42 appropriated fund allocation, \$1,638,500 is for distribution to the attorney
43 general, \$18,800 is for distribution to the game and fish department,
44 \$244,300 is for distribution to agencies that pay interagency service
45 agreements with other appropriated fund appropriations, and \$21,800 is for

distribution to agencies that pay the attorney general pro rata charge with other appropriated fund appropriations.

Sec. 45. State employee retirement adjustment; information technology adjustments; state owned space rent adjustments; state lease-purchase and privatized lease-to-own adjustments

State employee retirement adjustment \$10,694,000

Fund sources:

State general fund \$ 9,033,400

Other appropriated funds 1,660,600

Information technology planning adjustment \$ 602,700

Fund sources:

State general fund \$ 375,000

Other appropriated funds 227,700

State owned space rent adjustments \$ 1,340,000

Fund sources:

State general fund \$ 1,060,000

Other appropriated funds 280,000

State lease-purchase and privatized lease-to-own adjustments \$ (150,000)

Fund sources:

Other appropriated funds \$ (150,000)

The other appropriated funds may be allocated from the funds listed in section 44 of this act, relating to operating adjustments.

The amount appropriated for state employee retirement contribution adjustments shall be for fiscal year 2008-2009 increases in the employer share of state employee retirement contributions. The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency's or department's employee-related expenditures an amount for the employer share of the employee retirement contribution increase. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of state employee retirement contribution adjustments.

The joint legislative budget committee staff shall determine and the department of administration shall allocate to each agency's or department's personal services an amount for the adjustment. The joint legislative budget committee staff shall also determine and the department of administration shall allocate adjustments, as necessary, in expenditure authority to allow implementation of information technology planning adjustments.

The amount appropriated for rent adjustments shall be used to fund agency rent charges for state owned space increases from \$19.50 per square foot to \$21.02 per square foot for office space and increases from \$7.00 per square foot to \$7.62 per square foot for storage space.

1 For fiscal year 2008-2009, the joint legislative budget committee staff
2 shall determine and the department of administration shall allocate to each
3 agency or department an amount for these adjustments.

4 The amount appropriated for state lease-purchase and privatized
5 lease-to-own adjustments shall be for fiscal year 2008-2009 adjustments in
6 agency or department lease-purchase and privatized lease-to-own charges. The
7 joint legislative budget committee staff shall determine and the department
8 of administration shall allocate to each agency or department an amount for
9 the contribution increase. The joint legislative budget committee staff
10 shall also determine and the department of administration shall allocate
11 adjustments, as necessary, in expenditure authority to allow implementation
12 of state lease-purchase and privatized lease-to-own adjustments.

13 Sec. 46. Hiring appropriations; fiscal year 2007-2008;
14 reversion

15 A. Notwithstanding any other law, \$5,309,300 appropriated from the
16 state general fund and \$4,690,700 appropriated from other state funds that
17 were appropriated to state budget units for fiscal year 2008-2009 and from
18 nonfederal nonappropriated funds for hiring of state employees shall not be
19 expended or encumbered. The governor's office of strategic planning and
20 budgeting and the joint legislative budget committee shall determine and the
21 department of administration shall allocate the amount of the reversion or
22 transfer to each state agency or department.

23 B. The amounts determined pursuant to subsection A shall remain in or
24 be reverted or transferred to the state general fund on the effective date of
25 this act.

26 Sec. 47. Counties; incorporated cities and towns; deposits;
27 fiscal year 2008-2009; county expenditure
28 limitations

29 A. Notwithstanding any other law, in fiscal year 2008-2009, counties,
30 incorporated cities and towns shall deposit \$29,748,400 into the state
31 general fund. The amount transferred to the state general fund by each
32 county, incorporated city and town shall be calculated by the joint
33 legislative budget committee staff, who shall publish the allocations by
34 August 31, 2008. The joint legislative budget committee staff shall base its
35 allocation on the distributions provided under section 28-6538, subsection A,
36 paragraphs 2, 3, and 4, Arizona Revised Statutes.

37 B. Notwithstanding any other law, a county may meet any statutory
38 funding requirements of this section from any source of county revenue
39 designated by the county, including funds of any county wide special taxing
40 district in which the board of supervisors serves as the board of directors.

41 C. Contributions made pursuant to this section are excluded from the
42 county expenditure limitations.

43 Sec. 48. Legislative intent; expenditure reporting

44 It is the intent of the legislature that all departments, agencies or
45 budget units receiving appropriations under the terms of this act shall

1 continue to report actual, estimated and requested expenditures by budget
2 programs and budget classes in a format that is similar to the budget
3 programs and budget classes used for budgetary purposes in prior years. A
4 different format may be used if deemed necessary to implement section 35-113,
5 Arizona Revised Statutes, agreed to by the director of the joint legislative
6 budget committee and incorporated into the budget preparation instructions
7 adopted by the governor's office of strategic planning and budgeting pursuant
8 to section 35-112, Arizona Revised Statutes.

9 Sec. 49. FTE positions; reporting; definition

10 Full-time equivalent (FTE) positions contained in this act are subject
11 to appropriation. The director of the department of administration shall
12 account for the use of all appropriated FTE positions excluding those in the
13 department of economic security, the universities and the department of
14 environmental quality. The director shall submit the fiscal year 2008-2009
15 report by August 1, 2009 to the director of the joint legislative budget
16 committee. The reports shall compare the level of FTE usage in each fiscal
17 year to the appropriated level. For the purposes of this section, "FTE
18 positions" shall mean the total number of hours worked, including both
19 regular and overtime hours as well as hours taken as leave, divided by the
20 number of hours in a work year. The director of the department of
21 administration shall notify the director of each budget unit if the budget
22 unit has exceeded its number of appropriated FTE positions. The above
23 excluded agencies shall each report to the director of the joint legislative
24 budget committee in a manner comparable to the department of administration
25 reporting.

26 Sec. 50. Filled FTE positions; reporting

27 By October 1, 2008, each agency, including the judiciary and
28 universities, shall submit a report to the director of the joint legislative
29 budget committee on the number of filled, appropriated FTE positions by fund
30 source. The number of filled, appropriated FTE positions reported shall be
31 as of September 1, 2008.

32 Sec. 51. Performance measure results; reporting

33 As part of its fiscal year 2009-2010 budget request, agencies shall
34 submit the fiscal year 2007-2008 result for the performance measures listed
35 in this act. Agencies receiving fiscal year 2008-2009 budgets in Laws 2007,
36 chapter 235, shall submit the fiscal year 2007-2008 result for the
37 performance measures listed in that act as part of their fiscal year
38 2009-2010 budget request. If an agency fails to submit this information, it
39 shall submit a report to the joint legislative budget committee staff and the
40 office of strategic planning and budgeting as part of its fiscal year
41 2009-2010 budget request on why the agency failed to submit its results for
42 the performance measure.

43 Sec. 52. Transfer of spending authority

44 The department of administration shall report monthly to the director
45 of the joint legislative budget committee on any transfers of spending

1 authority made pursuant to section 35-173, subsection C, Arizona Revised
2 Statutes, during the prior month.

3 Sec. 53. Interim reporting requirements

4 A. State general fund revenue for fiscal year 2007-2008, not including
5 the beginning balance and including one-time revenues, is forecasted to be
6 \$9,138,365,500.

7 B. State general fund revenue for fiscal year 2008-2009, not including
8 the beginning balance and including one-time revenues, is forecasted to be
9 \$9,982,561,400.

10 C. The executive branch shall provide to the joint legislative budget
11 committee a preliminary estimate of the fiscal year 2007-2008 state general
12 fund ending balance by September 15, 2008. The preliminary estimate of the
13 fiscal year 2008-2009 state general fund ending balance shall be provided by
14 September 15, 2009. The estimate shall include projections of total
15 revenues, total expenditures and ending balance. The department of
16 administration shall continue to provide the final report for the fiscal year
17 in its annual financial report pursuant to section 35-131, Arizona Revised
18 Statutes.

19 D. Based on the information provided by the executive branch, the
20 staff of the joint legislative budget committee shall report to the joint
21 legislative budget committee by October 15 of 2008 and 2009 as to whether
22 that fiscal year's revenues and ending balance are expected to change by more
23 than \$50,000,000 from the budgeted projections. The executive branch may
24 also provide its own estimates to the joint legislative budget committee by
25 October 15 of each year.

26 Sec. 54. Definition

27 For the purposes of this act, "expenditure authority" means that the
28 fund sources are continuously appropriated monies that are included in the
29 individual line items of appropriations.

30 Sec. 55. Definition

31 For the purposes of this act, "review by the joint legislative budget
32 committee" means a review by a vote of a majority of a quorum of the members.

APPROVED BY THE GOVERNOR JUNE 27, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 27, 2008.